

Yavapai County, Arizona



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2003

**Yavapai County, Arizona
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2003**



Board of Supervisors

Lorna Street, District 2

A.G. "Chip" Davis, District 3

Gheral Brownlow, District 1

Prepared by Yavapai County
Finance Department

YAVAPAI COUNTY
 Comprehensive Annual Financial Report
 Year Ended June 30, 2003

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INTRODUCTORY SECTION



Yavapai County Finance Department

MICHAEL S. DANOWSKI, CPA

FINANCE DIRECTOR

November 3, 2003

To the Board of Supervisors, and Citizens of Yavapai county:

State law requires that counties prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Arizona State Auditor General's Office or by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Yavapai County for the fiscal year ended June 30, 2003.

This report consists of management's representations concerning the finances of Yavapai County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's Comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Miller, Allen & Co., P.C., a firm of licensed certified public accountants, have audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit; that there was a reasonable basis for rendering an unqualified opinion that the Yavapai County financial statements for the fiscal year ended June 30, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's

internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Yavapai County was formed in 1864; one year after the Arizona Territory was established. The County was named after the Yavapai tribe, whose name means "people of the sun". The County is located in the central portion of the state encompassing approximately 8,125 square miles.

The County is empowered to levy a property tax on both real and personal properties within its boundaries. Even though the demand for services is high, the growth in assessed valuation and continued fiscal discipline have allowed for a decrease in the primary property tax rate in each of the last seven years.

The County operates under the supervisor-administrator form of government. Policy-making and legislative authority are vested in a board of supervisors (Board) consisting of three members. The Board appoints an Administrator, who is responsible for overseeing the day-to-day operations of the government. The Board consists of three members elected to four-year terms representing three supervisorial districts.

The Board is responsible the financing and administration of County government, has final approval over County departmental budgets and sets property tax rates. As part of its administrative duties, the Board is responsible for appointing department heads, and members of County boards and commissions dealing with planning and zoning, building codes, health, employees and employee benefits, private industry and agriculture. The Board acts as the board of directors for special districts within the County such as jail, water, sanitation, lighting, library and flood control.

The County Administrator develops and presents the County budget, oversees countywide administrative departments, assists elected officials, and coordinates with other governments in intergovernmental relations.

In addition to the Board, other elected officers representing the County include the Assessor, Clerk of the Superior Court, County Attorney, Recorder, School Superintendent and the Treasurer. There are six elected Superior Court Judges, and five Justices of the Peace.

Yavapai County provides a full range of services, including police protection, courts, health services, the construction and maintenance of highways, streets, other infrastructure and parks.

The financial reporting entity includes all the funds and account groups of the primary government (Yavapai County), as well as its' component units. Component units are legally separate entities for which the primary government is financially accountable. The Board acts

as the Board of Directors of these component units. Accordingly, the Yavapai County Flood Control District, Library District and various special assessment districts are reported as a part of the governmental fund types of the primary government.

There are various school districts, special districts, and fire districts within Yavapai County governed by independently elected boards. The financial statements of such districts are not included in this report except to reflect amounts held in an agency capacity by the County Treasurer. The reporting entity is further described in Note 1 to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Administrator annually. These requests are used as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Board of Supervisors for review on or before the third Monday in July. On or before the seventh day before the day in August when the Board sets tax levy rates, the Board must hold a public hearing and a special meeting of the Board, at which time the final budget must be adopted. The final budget is adopted by fund and department. Transfers of appropriations between funds or departments require approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented beginning on page 58 as part of the required supplemental information. For governmental funds, other than the general fund and major special revenue funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 84.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy. Yavapai County has experienced rapid population growth over the last ten years, increasing 55% to a total of 167,517, according to the 2000 census. This rate of increase makes Yavapai County one of the fastest growing counties in the State of Arizona. This is exemplified by Yavapai County's strong residential construction activity.

The unemployment rate is 3.4% compared to the statewide average of 5.9%. Yavapai County Government is the single largest employer in Yavapai County.

Retail trade, tourism, utilities, healthcare, warehouse and distribution centers, mining, light industry and government all contribute to the economy.

Long-term financial planning. In November of 1999, the Yavapai County Jail District was formed when the citizens approved a dedicated excise tax of up to $\frac{1}{4}$ cent for the purpose of constructing, operating, maintaining and financing County jail facilities. In December of 1999, the Board adopted Resolution No.1999-1 establishing the initial excise tax of $\frac{1}{5}$ cent. On March 26, 2003, the excise tax was raised to the voter approved rate of $\frac{1}{4}$ cent.

The excise tax is being used to construct new, efficient jail facilities and to pay for additional staff and other operating costs of the jail system. The first phase of the jail construction is to

increase the size of the Camp Verde Jail Facility by 480 beds. Construction of this phase began in January of 2002 and will be completed in the fall of 2003. Total cost is expected to be approximately \$20 million. Pledged revenue obligations in the amount of \$15,260,000 were issued to finance the majority of the construction costs. Upon completion of this expansion, some of the existing detention space in the Camp Verde Jail Facility will be converted into a remanded juvenile facility. This facility will have a capacity of approximately 44 beds, and be separate from the adult facility. Grants from the State of Arizona in excess of \$1.4 million are expected to finance the majority of design and construction costs.

Phase two of the construction program, which would begin in approximately ten years, anticipates the construction of a new jail facility in western Yavapai County. Upon its completion, the current Prescott Facility would be taken out of service and converted to other uses due to its outmoded design and poor location.

To address the County's office space needs and to consolidate services and operations, which are currently housed in various locations, the County is planning a major addition to the administration-building complex located in Prescott. Construction of the new facility is scheduled to begin in fiscal year 2003-04. It is expected that the County's Medical Assistance, Development Services and Library District Departments will relocate in the summer of 2005. Total cost is anticipated to be approximately \$9 million and be paid from budgeted appropriations.

Cash management policies and practices. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, the Arizona State Treasurer's investment pool, specified state and local government bonds, and interest-earning investments such as savings accounts, certificates of deposit and repurchase agreements in eligible depositories. The average yield on investments for the fiscal year ended 2003 was 2.25 percent.

Risk management. The County is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool; the Arizona Counties Worker's Compensation Pool, and the Yavapai Combined Trust. Additional information on the County's risk management activity can be found in Note 13 of the notes to the financial statements.

Pension. The County participates in four retirement plans: The Arizona State Retirement System, the Public Safety Personnel Retirement System, the Correctional Officer Retirement Plan and the Elected Officials Retirement Plan. Note 15 of the notes to financial statements contain information about the types of employees covered, the County's liability, and general information about the individual plans.

Government Finance Officers Association

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governments that publish an easily readable and efficiently organized comprehensive annual report (CAFR). We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

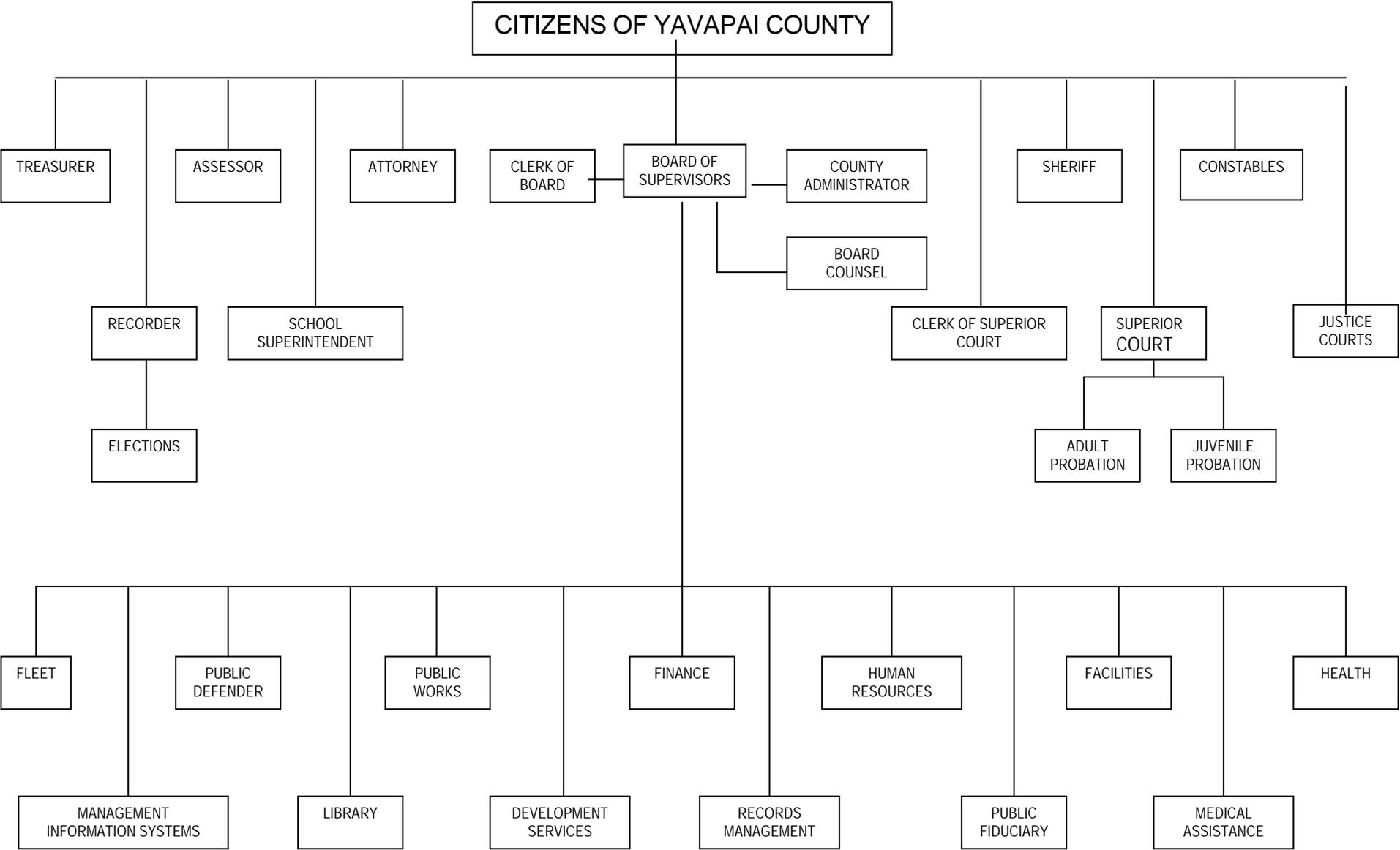
Acknowledgements

The preparation of this report could only be accomplished through the efforts of the staff of the Finance Department, and the assistance of Miller, Allen & Co., P.C. Certified Public Accountants and the Arizona State Auditor General's Office. I also wish to thank the Board of Supervisors for their dedicated oversight of the financial condition of the County and their support for our efforts to improve its financial operations.

Respectfully submitted,

Michael S. Danowski
Chief Financial Officer

YAVAPAI COUNTY
Organizational Chart



Yavapai County Officials

BOARD OF SUPERVISORS

Gheral Brownlow, Member, District 1
Lorna Street, Member, District 2
A.G. "Chip" Davis, Chairman, District 3

♦ ♦ ♦

CLERK OF THE BOARD

Bev Staddon

♦ ♦ ♦

COUNTY ADMINISTRATOR

James M. Holst

♦ ♦ ♦

FINANCE DIRECTOR

Michael S. Danowski

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FINANCIAL SECTION

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STEPHEN T. HARRIS, C.P.A.

ROBERT L. MILLER, C.P.A.
(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Yavapai County, Arizona

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2003, as listed in the table of contents, which collectively comprise the County's basic financial statements. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Yavapai County as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages 11 through 20, the Schedule of Agent Retirement Plans' Funding Progress on page 57, and the Budgetary Comparison Schedules on pages 58 through 62, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, and capital assets schedules listed in the table of contents are

presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on such information.

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants at a future date. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Miller, Allen & Co., P.C.

November 3, 2003

Yavapai County

Management's Discussion and Analysis

As management of Yavapai County, we offer readers of Yavapai County's financial statements this narrative overview and analysis of the financial activities of Yavapai County for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 5.

Financial Highlights

- The assets of Yavapai County exceeded its liabilities at the close of the most recent fiscal year by \$93,655,404 (net assets). Of this amount, \$24,647,259 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balance of \$32,788,016 a decrease of \$3,108,219 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,784,993 or 3% of total general fund expenditures.
- Yavapai County's total debt increased by \$8,565,959 during the current fiscal year. The key factor in this increase was the issuance of \$9 million in notes payable to the State of Arizona for road improvement and expansion projects.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Yavapai County's basic financial statements. Yavapai County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Yavapai County's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of Yavapai County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Yavapai County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Yavapai County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of Yavapai County include general government, public safety, highways and streets, health, welfare and sanitation, culture and recreation, and education. The Yavapai Long-Term Care Division comprises the business-type activities of Yavapai County.

The government-wide financial statements not only include Yavapai County itself (known as the primary government), but also a legally separate Jail District, Flood Control District, Library District and various

Yavapai County

Management's Discussion and Analysis

Special Assessment Districts. These districts function for all practical purposes as departments of Yavapai County, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 21 - 22 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Yavapai County, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of Yavapai County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Yavapai County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for six funds considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24 - 30 of this report.

Proprietary funds. Yavapai County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Yavapai County uses an enterprise fund to account for its Arizona Long-Term Health Care Division.

The basic proprietary fund financial statements can be found on pages 31 - 33 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Yavapai County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 34 - 35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 - 55 of this report.

Yavapai County

Management's Discussion and Analysis

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Yavapai County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the general fund and major special revenue funds. Required supplementary information can be found on pages 57 - 63 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68 - 107 of this report.

Government-wide Financial Analysis

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Yavapai County, assets exceeded liabilities by \$93.7 million at the close of the most recent fiscal year.

	Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 43.1	\$ 35.5	\$ 7.8	\$ 7.3	\$ 50.9	\$ 42.8
Restricted assets	1.4	11.5			1.4	11.5
Capital assets	89.4	62.7	.1	.2	89.5	62.9
Total assets	<u>133.9</u>	<u>109.7</u>	<u>7.9</u>	<u>7.5</u>	<u>141.8</u>	<u>117.2</u>
Long-term liabilities outstanding	33.6	25.0			33.6	25.0
Other liabilities	10.7	10.1	3.8	3.5	14.5	13.6
Total liabilities	<u>44.3</u>	<u>35.1</u>	<u>3.8</u>	<u>3.5</u>	<u>48.1</u>	<u>38.6</u>
Net assets:						
Invest in capital assets, net of related debt	64.7	59.0	.1	.2	64.8	59.2
Restricted	.2	.4	4.0	3.8	4.2	4.2
Unrestricted	24.7	15.1			24.7	15.1
Total net assets	<u>\$ 89.6</u>	<u>\$ 74.5</u>	<u>\$ 4.1</u>	<u>\$ 4.0</u>	<u>\$ 93.7</u>	<u>\$ 78.5</u>

By far the largest portion of Yavapai County's net asset (77%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt and accumulated depreciation used to acquire those assets that is still outstanding. Yavapai County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yavapai County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 4% of Yavapai County's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$17 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year Yavapai County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Yavapai County Management's Discussion and Analysis

The increase in total net assets, related to governmental activities, is due to several factors. Current and other assets increased by \$7.6 million as a result of unspent funds budgeted for capital projects and unspent loan proceeds for a road improvement project. Restricted assets decreased by \$10.1 million, as revenue bond proceeds were used to build new jail facilities. Capital assets increased, primarily in construction in progress, to account for the new jail facilities and the major road improvement project. The increase in long-term liabilities results from the note payable to the State of Arizona for the road improvement project.

The change in total net assets in business-type activities results from a slight increase in services provided from the prior year.

Statement of Activities. Already noted was the statement of activities purpose in presenting information in how the government's net assets changed during the most recent fiscal year. A chart of changes in net assets follows. For the fiscal year, net assets increased \$15.2 million, with \$15.1 million of the increase coming from governmental activities. The increase in assets in governmental activities is related in large part to construction of assets, rather than accumulation of cash or other liquid assets. The basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include taxes whose primary purpose is for the construction of those assets.

Changes in Net Assets

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program revenues:						
Charges for services	\$ 13.0	\$ 10.1	\$ 30.4	\$ 27.4	\$ 43.4	\$ 37.5
Grants and contributions	24.5	26.5			24.5	26.5
General revenues:						
Property taxes	28.1	25.9			28.1	25.9
Sales taxes	32.8	31.6			32.8	31.6
Vehicle license tax	8.3	6.5			8.3	6.5
Miscellaneous	4.2	4.8			4.2	4.8
Total revenues	110.9	105.4	30.4	27.4	141.3	132.8
Expenses						
General government	42.2	37.1			42.2	37.1
Public safety	26.7	24.9			26.7	24.9
Highways and streets	11.0	13.5			11.0	13.5
Sanitation	1.6	1.5			1.6	1.5
Health	5.7	7.0			5.7	7.0
Welfare	8.3	8.5			8.3	8.5
Culture and recreation	.6	.5			.6	.5
Education	1.7	1.5			1.7	1.5
Long-term care			28.3	25.8	28.3	25.8
Total expenses	97.8	94.5	28.3	25.8	126.1	120.3
Increase in net assets before transfers	13.1	10.9	2.1	1.6	15.2	12.5
Transfers	2.0	1.3	(2.0)	(1.3)		
Increase in net assets	15.1	12.2	.1	.3	15.2	12.5
Net assets, 7/1/02	74.5	62.3	4.0	3.7	78.5	66.0
Net assets, 6/30/03	\$ 89.6	\$ 74.5	\$ 4.1	\$ 4.0	\$ 93.7	\$ 78.5

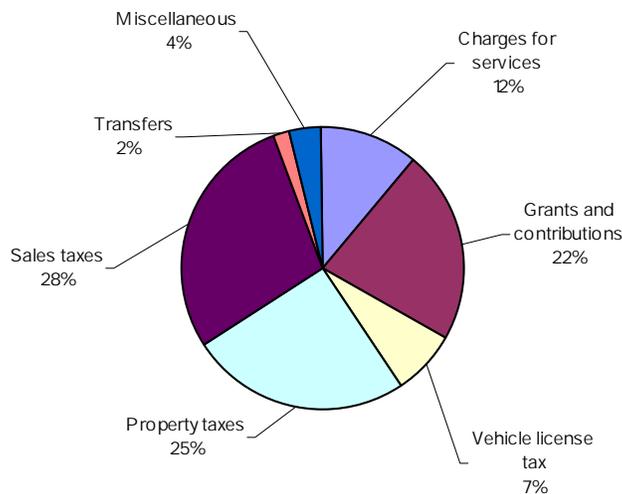
Yavapai County Management's Discussion and Analysis

Governmental activities.

Governmental activities revenues totaled \$110.9 million for fiscal year 2003. The following are highlights of County revenues:

- Sales taxes are comprised of state shared-sales tax, a .5% tax for highways and a .2% Jail District tax. Overall sales tax increased by \$1.2 million approximately (4%) in the current fiscal year due to a general increase in sales activity, fueled by an improving local economy and continued population growth. This resulted in increases of approximately 4.5% in the tax for highways and the Jail District tax. State-shared sales tax, the largest component of sales tax, experienced a slight increase of 2.7% in the year, from to \$16.5 million to \$16.9 million. Based upon the Arizona State Department of Revenue projections, it is expected that State-shared sales tax will show a similar increase in fiscal year 2003/04.
- Property taxes increased by \$2.2 million (8.5%) during the year. Most of this increase is attributable to increased property values and new construction.
- Grants and contributions in the prior year included a one-time award for juvenile jail facilities of \$1.5 million. The absence of this award resulted in a decrease in current year grant revenues.
- Charges for services increased by \$2.9 million primarily from increases in building and related permits, County Recorder and Assessor fees, which is indicative of increased building and real estate sales activity.

Revenues by Source - Governmental Activities

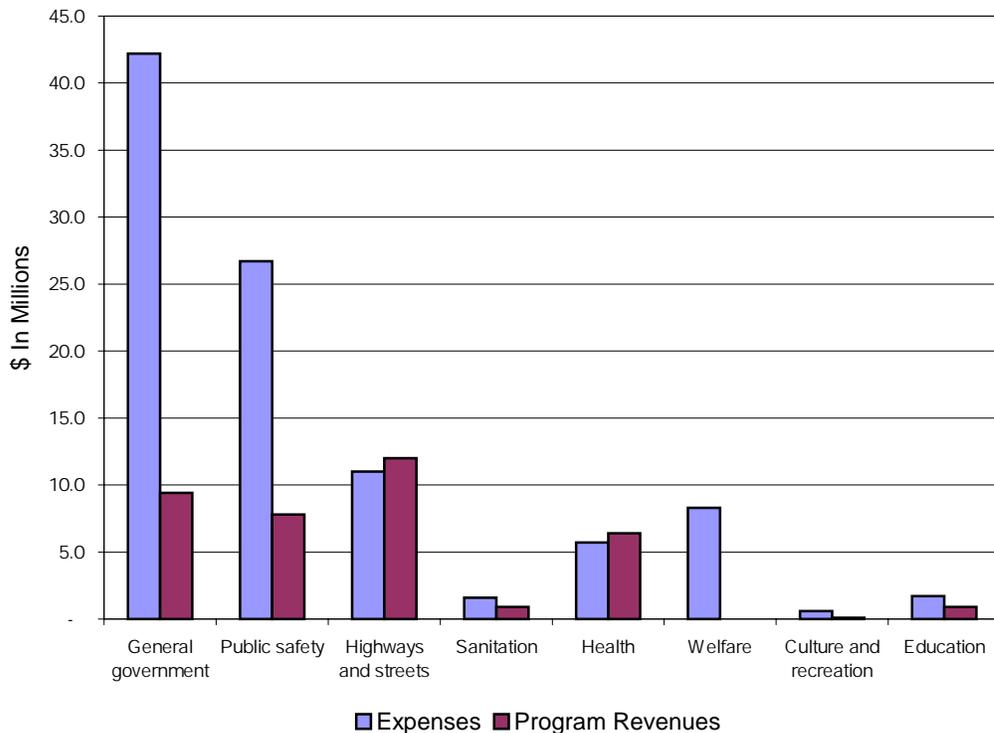


Yavapai County Management's Discussion and Analysis

Expenses

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. The general government function experienced significant growth in the General Services, Assessor, Elections, Public Defender and the Management Information Services departments. Increases in public safety are the result of increasing demands on law enforcement and detention within the Sheriff's office.

Expenses and Program Revenues - Governmental Activities

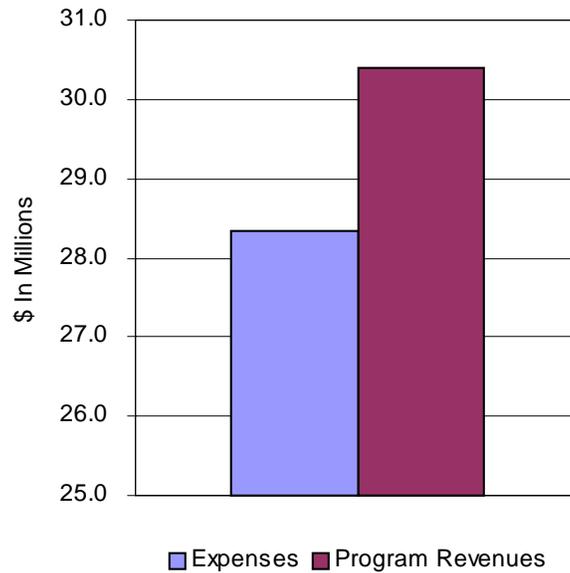


Business-type activities Business-type activities consist solely of the Yavapai County Department of Medical Assistance, Long-Term Health Care Division (“Division”). The Division operates a prepaid health program for qualified persons of Yavapai County within the State of Arizona. The Program provides hospitalization, medical care, managed institutional care, and home and community based long-term care for physically disabled and elderly persons. The funds used to carry out the Division’s program are provided by the State of Arizona under its Arizona Long-Term Care System administered by the Arizona Health Care Cost Containment System. The funding sources include federal, state and county monies that are paid to the Division on a capitation basis.

Yavapai County Management's Discussion and Analysis

Capitation revenues increased by \$3 million or 11% for fiscal year 2003 over the prior fiscal year. Operating expenses increased \$2.5 million representing a 9.7% change from the prior year. These increases are the direct result of an increase in the capitation rate and an increase in provider service costs.

Expenses and Program Revenues-Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Yavapai County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Yavapai County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Yavapai County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$32,788,016, a decrease of \$3,108,219 in comparison with the prior year. This change is primarily attributable to the decrease in the fund balance of the Jail Construction fund. Eighty-five percent of the \$15 million proceeds from the February 2002 pledged revenue obligations issue had been used by June 30, 2003. The issue was dedicated to the construction of new jail facilities. The remainder of the fund balance is unreserved other than the reserve for inventories of \$103,860 and debt service of \$221,862.

Yavapai County

Management's Discussion and Analysis

The general fund is the chief operating fund of Yavapai County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,784,993, which was \$3,759,265 less than the previous fiscal year. The primary reason for this decrease was the decision not to transfer back to the general fund the unspent balance of \$6.3 million remaining in the capital projects fund at June 30. Otherwise both revenues and expenditures for the current fiscal year closely followed estimates.

Proprietary fund. Yavapai County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Restricted net assets of the Long-Term Care

Division at the end of the year amounted to \$3.9 million an increase of \$.2 million over the prior fiscal year. Other factors concerning the finances of this fund have already been addressed in the discussion of Yavapai County's business-type activities.

General Fund Budgetary Highlights

The general fund expenditure budget of \$53,285,172 did not change during the year. However, certain departments received supplemental appropriations as follows:

Public Defender	\$ 366,604	Finance	\$ 14,608
Sheriff	182,695	Recorder	6,478
Superior Court	62,477	Human Resources	4,000
Facilities	23,000	Bagdad/ Yarnell Justice Court	3,674
Juvenile Probation	19,598	Records Management	2,546
School Superintendent	19,027	Prescott Constable	748
Verde Valley Justice Court	17,094	Seligman Justice Court	321

These increases in appropriations were transferred from other general fund departments with budget capacity. Actual general fund expenditures were under budget by \$657,732.

During the year, actual revenue was short of estimates by \$1,475,266 (2.5%), this is not expected to have any significant effect on future services or liquidity.

Capital Asset and Debt Administration

Capital Assets. Yavapai County's investment in capital assets for its governmental and business-type activities as of June 30, 2003, amounts to \$89.5 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, machinery and equipment. In addition, roads and highways constructed in the fiscal year ended June 30, 2003, or in progress at that date, are included in capital assets. In accordance with GASB Statement No. 34, the County will retroactively value all infrastructure assets back to fiscal year 1981 by June 30, 2006. The total increase in Yavapai County's investment in capital assets for the current fiscal year was 42%, nearly all of which is attributed to governmental activities.

Major capital asset events during the current fiscal year included the following:

- Construction continued on the Camp Verde Jail Facility. Total cost is projected at \$20 million, and will increase capacity by 480 beds. Opening is expected in fiscal year 2004.
- Construction was completed on Fain Road and Highway 89A, financed by loans from the Arizona Department of Transportation HELP Program.

Yavapai County Management's Discussion and Analysis

Yavapai County's Capital Assets (net of depreciation) (in millions)

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 9.5	\$ 7.0	\$	\$	\$ 9.5	\$ 7.0
Buildings	26.5	24.9			26.5	24.9
Machinery and Equipment	9.1	6.7	.1	.2	9.2	6.9
Infrastructure	10.1	6.9			10.1	6.9
Construction in Progress	34.2	17.2			34.2	17.2
Total	<u>\$ 89.4</u>	<u>\$62.7</u>	<u>\$.1</u>	<u>\$.2</u>	<u>\$ 89.5</u>	<u>\$ 62.9</u>

Additional information on Yavapai County's capital assets can be found in Note 4 on pages 44 - 45 of this report.

Long-term debt. At the end of the current fiscal year, Yavapai County had total bonded debt outstanding of \$15,783,094. Of this amount, \$13,945,000 represents pledged revenue obligations of the Yavapai County Jail District, which are secured by a dedicated excise tax of 1/5 cent, and \$1,838,094 represents debt of various special assessment districts which is secured by pledges of revenues from special assessments levied against benefiting property owners. Yavapai County also had long-term notes payable of \$8,812,500, which are secured by the County's highway user revenue. The remainder of Yavapai County's debt is a long-term capital lease of \$1,497,290 for road equipment.

Yavapai County's Outstanding Debt (in millions)

	2003	2002
Jail District Pledged Revenue Obligations	\$ 13.9	\$ 15.3
Special Assessment Debt Payable	1.8	2.0
Notes Payable	8.8	
Capital Leases	1.5	.7
Total	<u>\$ 26.0</u>	<u>\$ 18.0</u>

Yavapai County's total debt increased by a net \$8,164,505 during the current fiscal year due primarily to the County entering into two separate loan agreements for the major road improvements, mentioned above. The pledged revenue obligations are being used to construct new jail facilities, also mentioned above. Moody's Investor Service and Standard & Poor's Rating services have assigned the ratings of "Aaa" and "AAA", respectively, on these obligations, which are insured for the payment of principal and interest with Ambac Assurance, Ambac Financial Group, Inc.

State statutes limit the amount of general obligation debt a county may issue to 6 percent of its total assessed valuation. The current debt limitation for the County is \$91,008,445. Since the County has no general obligation debt, this amount equals the debt capacity.

Yavapai County Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Yavapai County is currently 3.4 percent, which is a slight decrease from a rate of 3.5 percent a year ago. This compares favorably to the state's average unemployment rate of 5.9 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing Yavapai County's budget for the 2003/04 fiscal year. The unreserved ending fund balance in the general fund of \$1,784,993 was appropriated for spending in the 2003/04 fiscal year budget. The need for increased detention services to open the new jail facilities required a 5% increase in the general fund property tax rate for the 2003/04 fiscal year.

Requests for Information

This financial report is designed to provide a greater overview of Yavapai County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1015 Fair Street, Prescott, Arizona 86305.

BASIC FINANCIAL STATEMENTS

Yavapai County
Statement of Net Assets
June 30, 2003

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 33,379,635	\$ 6,410,513	\$ 39,790,148
Receivables:			
Property taxes	1,302,435	-	1,302,435
Special assessments	1,432,608	-	1,432,608
Accounts	960,616	-	960,616
Due from other governments	5,662,839	1,368,197	7,031,036
Inventories	103,860	-	103,860
Prepaid items	29,140	-	29,140
Deferred charges	169,448	-	169,448
Cash equivalents - restricted	1,382,167	-	1,382,167
Capital assets, not being depreciated	43,779,686	-	43,779,686
Capital assets, being depreciated, net	45,666,430	113,516	45,779,946
Total assets	<u>133,868,864</u>	<u>7,892,226</u>	<u>141,761,090</u>
Liabilities			
Accounts payable	4,785,052	34,245	4,819,297
Accrued payroll and employee benefits	1,474,914	183,945	1,658,859
Deposits held for others	36,211	-	36,211
Matured bonds payable	1,315,000	-	1,315,000
Interest payable	277,570	-	277,570
Due to other governments	-	97,023	97,023
Medical claims payable	-	3,526,129	3,526,129
Deferred revenues	2,790,683	-	2,790,683
Noncurrent liabilities:			
Due within one year	8,373,910	-	8,373,910
Due in more than one year	25,211,004	-	25,211,004
Total liabilities	<u>44,264,344</u>	<u>3,841,342</u>	<u>48,105,686</u>
Net Assets			
Invested in capital assets, net of related debt	64,735,399	113,516	64,848,915
Restricted for:			
Health and welfare	-	3,937,368	3,937,368
Debt service	221,862	-	221,862
Unrestricted	24,647,259	-	24,647,259
Total net assets	<u>\$ 89,604,520</u>	<u>\$ 4,050,884</u>	<u>\$ 93,655,404</u>

See accompanying notes to financial statements.

Yavapai County
Statement of Activities
Year Ended June 30, 2003

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 41,123,373	\$ 5,726,915	\$ 3,685,823	\$ -	\$ (31,710,635)	\$ -	\$ (31,710,635)
Public safety	26,737,930	2,780,332	5,020,516	-	(18,937,082)	-	(18,937,082)
Highways and streets	11,012,419	1,355,970	10,335,027	342,063	1,020,641	-	1,020,641
Sanitation	1,595,659	430,130	461,866	-	(703,663)	-	(703,663)
Health	5,675,223	2,486,307	3,894,574	-	705,658	-	705,658
Welfare	8,277,939	-	-	-	(8,277,939)	-	(8,277,939)
Culture and recreation	591,898	-	132,981	-	(458,917)	-	(458,917)
Education	1,716,524	180,556	680,317	-	(855,651)	-	(855,651)
Aid to other governments	361,130	-	14,024	-	(347,106)	-	(347,106)
Interest on long-term debt	777,372	-	-	-	(777,372)	-	(777,372)
Total governmental activities	<u>97,869,467</u>	<u>12,960,210</u>	<u>24,225,128</u>	<u>342,063</u>	<u>(60,342,066)</u>	<u>-</u>	<u>(60,342,066)</u>
Business-type activities:							
Long term care	<u>28,339,917</u>	<u>30,408,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,068,374</u>	<u>2,068,374</u>
Total business-type activities	<u>28,339,917</u>	<u>30,408,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,068,374</u>	<u>2,068,374</u>
Total primary government	<u>\$ 126,209,384</u>	<u>\$ 43,368,501</u>	<u>\$ 24,225,128</u>	<u>\$ 342,063</u>	<u>(60,342,066)</u>	<u>2,068,374</u>	<u>(58,273,692)</u>
General revenues:							
Property taxes					28,097,734	-	28,097,734
Sales taxes					32,756,018	-	32,756,018
Vehicle license tax					8,335,252	-	8,335,252
Franchise taxes					491,454	-	491,454
State shared lottery					550,035	-	550,035
Interest on investments					48,864	-	48,864
Gain on sale of capital assets					338,348	-	338,348
Miscellaneous					2,752,422	42,188	2,794,610
Transfers					2,000,000	(2,000,000)	-
Total general revenues and transfers					<u>75,370,127</u>	<u>(1,957,812)</u>	<u>73,412,315</u>
Changes in net assets					15,028,061	110,562	15,138,623
Net assets - beginning					74,576,459	3,940,322	78,516,781
Net assets - ending					<u>\$ 89,604,520</u>	<u>\$ 4,050,884</u>	<u>\$ 93,655,404</u>

See accompanying notes to financial statements.

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Yavapai County
Balance Sheet
Governmental Funds
June 30, 2003

Assets	General	Jail District	Jail Construction	Regional Road
Cash and cash equivalents	\$ 7,636,649	\$ 4,909,996	\$ -	\$ 8,573,217
Receivables:				
Property taxes	1,068,405	-	-	-
Special assessments	-	-	-	-
Accounts	309,661	23,672	-	59,934
Due from:				
Other funds	42,111	197,728	72,399	5,772
Other governments	2,370,443	432,202	-	1,102,301
Inventories	-	-	-	-
Prepaid Items	17,411	-	-	-
Cash equivalents - restricted	-	-	1,382,167	-
Total assets	\$ 11,444,680	\$ 5,563,598	\$ 1,454,566	\$ 9,741,224
 Liabilities and fund balances				
Liabilities:				
Accounts payable	591,936	126,467	525,489	1,544,125
Accrued payroll and employee benefits	777,766	204,314	770	3,663
Due to other funds	6,248,523	72,399	16,738	-
Deposits held for others	36,211	-	-	-
Matured bonds payable	-	-	-	-
Interest Payable	-	-	-	-
Deferred revenue	2,005,251	-	-	-
Total liabilities	9,659,687	403,180	542,997	1,547,788
Fund balances:				
Reserved for:				
Inventory	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
General fund	1,784,993	-	-	-
Special revenue funds	-	5,160,418	-	8,193,436
Capital project funds	-	-	911,569	-
Total fund balance	1,784,993	5,160,418	911,569	8,193,436
 Total liabilities and fund balances	 \$ 11,444,680	 \$ 5,563,598	 \$ 1,454,566	 \$ 9,741,224

See accompanying notes to financial statements.

HURF Road	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,024,754	\$ 251,470	\$ 10,983,549	\$ 33,379,635
-	-	234,030	1,302,435
-	-	1,432,608	1,432,608
20,704	2,760	543,885	960,616
59,426	6,182,621	405,702	6,965,759
1,089,731	-	668,162	5,662,839
103,860	-	-	103,860
274	-	11,455	29,140
-	-	-	1,382,167
<u>\$ 2,298,749</u>	<u>\$ 6,436,851</u>	<u>\$ 14,279,391</u>	<u>\$ 51,219,059</u>
755,731	96,445	1,144,859	4,785,052
142,460	-	345,941	1,474,914
2,616	2,253	623,230	6,965,759
-	-	-	36,211
-	-	1,315,000	1,315,000
-	-	277,570	277,570
-	-	1,571,286	3,576,537
<u>900,807</u>	<u>98,698</u>	<u>5,277,886</u>	<u>18,431,043</u>
103,860	-	-	103,860
-	-	221,862	221,862
-	-	-	1,784,993
1,294,082	-	8,439,463	23,087,399
-	6,338,153	340,180	7,589,902
<u>1,397,942</u>	<u>6,338,153</u>	<u>9,001,505</u>	<u>32,788,016</u>
<u>\$ 2,298,749</u>	<u>\$ 6,436,851</u>	<u>\$ 14,279,391</u>	<u>\$ 51,219,059</u>

Yavapai County
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2003

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - governmental funds	\$ 32,788,016
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,446,116
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	785,855
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(33,415,467)</u>
Net assets of governmental activities	<u><u>\$ 89,604,520</u></u>

See accompanying notes to financial statements.

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Yavapai County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2003

	General	Jail District	Jail Construction	Regional Road
Revenues:				
Taxes	\$ 26,269,489	\$ 4,489,617	\$ -	\$ 8,459,878
Special assessments	-	-	-	-
Licenses and permits	2,437,312	-	-	1,355,970
Intergovernmental	25,528,873	-	-	-
Charges for services	1,639,219	168,863	-	-
Fines and forfeits	1,764,290	-	-	-
Investment income	(61,356)	3,473	-	33,849
Miscellaneous	938,582	17,741	-	28,039
Total revenues	<u>58,516,409</u>	<u>4,679,694</u>	<u>-</u>	<u>9,877,736</u>
Expenditures:				
Current:				
General government	33,376,807	-	-	-
Public safety	10,580,980	8,001,108	-	-
Highways and streets	-	-	-	13,039,571
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	8,206,263	-	-	-
Education	463,390	-	-	-
Culture and recreation	-	-	-	-
Aid to other governments	-	-	-	-
Capital outlay	-	-	9,922,875	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>52,627,440</u>	<u>8,001,108</u>	<u>9,922,875</u>	<u>13,039,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,888,969</u>	<u>(3,321,414)</u>	<u>(9,922,875)</u>	<u>(3,161,835)</u>
Other financing sources (uses)				
Transfer in	4,932,783	5,225,000	144,751	78,719
Transfer out	(14,833,199)	(1,931,868)	(87,174)	(573,053)
Loan proceeds	-	-	-	9,000,000
Capital leases	-	-	-	-
Sale of capital assets	252,182	-	-	-
Total other financing sources (uses)	<u>(9,648,234)</u>	<u>3,293,132</u>	<u>57,577</u>	<u>8,505,666</u>
Net changes in fund balances	(3,759,265)	(28,282)	(9,865,298)	5,343,831
Fund balances, July 1, 2002	5,544,258	5,188,700	10,776,867	2,849,605
Decrease in reserve for inventories	-	-	-	-
Fund balances, June 30, 2003	<u>\$ 1,784,993</u>	<u>\$ 5,160,418</u>	<u>\$ 911,569</u>	<u>\$ 8,193,436</u>

See accompanying notes to financial statements.

HURF Road	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,149,179	\$ 44,368,163
-	-	273,374	273,374
-	-	324,028	4,117,310
12,294,954	-	12,144,271	49,968,098
-	-	4,598,221	6,406,303
-	-	317,714	2,082,004
22,385	(8,406)	58,919	48,864
354,594	36	1,965,591	3,304,583
<u>12,671,933</u>	<u>(8,370)</u>	<u>24,831,297</u>	<u>110,568,699</u>
-	-	5,373,854	38,750,661
-	-	7,921,595	26,503,683
12,571,768	-	93,015	25,704,354
-	-	2,066,464	2,066,464
-	-	7,875,991	7,875,991
-	-	-	8,206,263
-	-	1,278,046	1,741,436
-	-	599,275	599,275
-	-	361,130	361,130
-	1,348,962	772,740	12,044,577
-	-	1,621,156	1,621,156
-	-	758,544	758,544
<u>12,571,768</u>	<u>1,348,962</u>	<u>28,721,810</u>	<u>126,233,534</u>
<u>100,165</u>	<u>(1,357,332)</u>	<u>(3,890,513)</u>	<u>(15,664,835)</u>
300,000	7,682,600	4,602,850	22,966,703
(1,532,000)	-	(2,009,409)	(20,966,703)
-	-	-	9,000,000
1,202,559	-	-	1,202,559
94,859	-	27,592	374,633
<u>65,418</u>	<u>7,682,600</u>	<u>2,621,033</u>	<u>12,577,192</u>
165,583	6,325,268	(1,269,480)	(3,087,643)
1,252,935	12,885	10,270,985	35,896,235
(20,576)	-	-	(20,576)
<u>\$ 1,397,942</u>	<u>\$ 6,338,153</u>	<u>\$ 9,001,505</u>	<u>\$ 32,788,016</u>

Yavapai County
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2003

Net change in fund balances - total governmental funds \$ (3,087,643)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period

Capital outlay	30,125,399	
Depreciation	(3,358,529)	26,766,870

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Debt issued or incurred	(10,202,559)	
Principal repaid	2,038,054	(8,164,505)

Deferred tax revenues are recognized in the governmental funds only when available, but are recognized in the Statement of Activities when earned. (9,519)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (440,857)

In the Statement of Activities, only the gain/loss on the sale of capital assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold. (36,285)

Changes in net assets of governmental activities	\$ 15,028,061
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See accompanying notes to financial statements.

Yavapai County
Statement of Net Assets
Proprietary Funds
June 30, 2003

	Business-type Activities- Enterprise Fund
	Long-term Care
Assets	
Current assets:	
Cash and cash equivalents	\$ 6,410,513
Due from other governments	1,368,197
Total current assets	7,778,710
Noncurrent assets:	
Capital assets, net of accumulated depreciation	113,516
Total noncurrent assets	113,516
Total Assets	7,892,226
 Liabilities	
Current liabilities :	
Accounts payable	34,245
Accrued payroll and employee benefits	183,945
Medical claims payable	3,526,129
Due to other governments	97,023
Total current liabilities	3,841,342
Total Liabilities	3,841,342
 Net Assets	
Invested in capital assets, net of related debt	113,516
Restricted - health and welfare	3,937,368
Total Net Assets	\$ 4,050,884

See accompanying notes to financial statements.

Yavapai County
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2003

	Business-type Activities- Enterprise Fund
	Long-term Care
Operating revenues:	
AHCCCS revenues	\$ 30,408,291
Miscellaneous	42,188
Total operating revenues	30,450,479
 Operating Expenses:	
Medical costs	25,310,251
Administrative costs	2,976,319
Depreciation	53,347
Total operating expenses	28,339,917
 Operating income	2,110,562
Income before transfers	2,110,562
 Transfers out	(2,000,000)
 Increase in net assets	110,562
 Net assets, July 1, 2002	3,940,322
Net assets, June 30, 2003	\$ 4,050,884

See accompanying notes to financial statements.

Yavapai County
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2003

	Business-type Activities- Enterprise Fund <hr/> Long-term Care <hr/>
Cash flows from operating activities:	
Cash received from AHCCCS	\$ 29,516,750
Cash payments for medical services	(24,864,402)
Cash payments for personal services	(2,170,629)
Cash payments for operating activities	<u>(759,265)</u>
Total operating revenues	<u>1,722,454</u>
 Cash flows from noncapital activities:	
Cash transferred to general fund	<u>(2,000,000)</u>
 Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(26,576)</u>
 Net increase (decrease) in cash and cash equivalents	(304,122)
 Cash and cash equivalents, July 1, 2002	<u>6,714,635</u>
Cash and cash equivalents, June 30, 2003	<u><u>\$ 6,410,513</u></u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,110,562
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	53,347
Medical equipment depreciation	10,547
Changes in assets and liabilities:	
Increase in due from other governments	(800,719)
Decrease in interest receivable	45,853
Increase in accounts payable	34,245
Increase in accrued payroll and employee benefits	12,181
Increase in medical claims payable	435,301
Decrease in due to other governments	<u>(178,863)</u>
Net cash provided by operating activities	<u><u>\$ 1,722,454</u></u>

See accompanying notes to financial statements.

Yavapai County
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Investment Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	<u>\$ 44,113,117</u>	<u>\$ 3,246,385</u>
Total Assets	<u>44,113,117</u>	<u>\$ 3,246,385</u>
Liabilities		
Deposits held for others	<u>-</u>	<u>\$ 3,246,385</u>
Total Liabilities	<u>-</u>	<u>\$ 3,246,385</u>
Net Assets		
Held in trust for investment trust participants	<u>\$ 44,113,117</u>	

See accompanying notes to financial statements.

Yavapai County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2003

	Investment Trust Fund
Additions:	
Contributions from participants	\$ 232,744,957
Investment income	<u>1,196,670</u>
Total additions	<u>233,941,627</u>
Deductions:	
Distributions to participants	<u>236,308,479</u>
Total deductions	<u>236,308,479</u>
Change in net assets	(2,366,852)
Net assets, July 1, 2002	<u>46,479,969</u>
Net assets, June 30, 2003	<u><u>\$ 44,113,117</u></u>

See accompanying notes to financial statements.

Yavapai County
Notes to Financial Statements
June 30, 2003

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Yavapai County conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The County is a general purpose local government that is governed by a separately elected board of three county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County's component units:

<u>Component Unit</u>	<u>Description: Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Yavapai County Flood Control District	A tax-levying district that provides flood control systems; County board of supervisors serves as board of directors	Blended	Not available
Yavapai County Library District	Provides and maintains library services for County's residents; County board of supervisors serves as board of directors	Blended	Not available
Yavapai County Special Assessment District	Constructs or improves sidewalks, curbs and gutters, irrigation systems, and street lighting within the County; County board of supervisors serves as board of directors	Blended	Not available

Yavapai County
Notes to Financial Statements
June 30, 2003

Yavapai County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems; county board of supervisors serves as governing board	Blended	Not available
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Related Organization - The Sedona-Oak Creek Airport Authority (Authority) was created for the purpose of developing and promoting transportation and commerce by air in the State of Arizona, and in particular the development, promotion, and operation of air transportation facilities and air commerce in and around the Sedona area. In 1971, the Authority entered into a 60-year lease with Yavapai County to manage and operate the Sedona Airport facility, which is owned by the County. The Authority is governed by a 13 member Board of Directors approved by the County's Board of Supervisors. However, the Authority's operations are completely separate from the County, and the County is not financially accountable for the Authority. Therefore, based on the criteria of GASB Statement No. 14, the financial activities of the Authority have not been included in the accompanying financial statements.

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund-based financial statements. The government-wide statements focus on the County as a whole, while the fund-based financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements-provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

Yavapai County
Notes to Financial Statements
June 30, 2003

- changes to customers or applicants for good, services, or privileges provided,
- operating grants and contributions, and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements-provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

Proprietary fund operating revenues, such as charges for services, result from transactions associated with the fund's principal activity in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from transactions in which the parties do not exchange equal values. Revenues generated by ancillary activities are also reported as nonoperating revenues.

The County reports the following major governmental funds:

The General Fund-is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Jail District Fund-is used to account for County jail operations.

The Jail Construction Fund-is used to account for the construction of the new County jail and remodel of the existing facility.

The Regional Road Fund-is used to account for road construction and maintenance of major regional roads, and is funded by a ½ cent County sales tax and impact fees.

The HURF Road Fund-is used to account for road maintenance and construction of nonmajor roads, and is funded primarily by highway users revenue.

Yavapai County
Notes to Financial Statements
June 30, 2003

The Capital Projects Fund - is used to account for major capital projects and is funded by transfers from the general fund.

The County reports the following major proprietary fund:

The Long-term Care Fund - is used to account for the activities of the Yavapai County Department of Medical Assistance Long-term Care Division. The Long-Term Care Division operates a prepaid health program for qualified persons of the County.

The County reports the following fund types:

The investment trust fund - accounts for pooled assets held and invested by the County Treasurer on behalf of County departments and other governmental entities.

The agency fund - accounts for assets held by the county as an agent for the State and various local governments.

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Governmental funds in the fund-based financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expense is incurred, there are both restricted and unrestricted net assets available to finance the program. The County applies grant resources to such programs before using general revenues.

Yavapai County
Notes to Financial Statements
June 30, 2003

The County's business-type activities and enterprise funds follow FASB Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has applied the option not to apply those FASB pronouncements issued after November 30, 1989.

D. Cash and Investments

For purposes of the statement of cash flows, the County considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Money market investments with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

E. Inventories and Prepaid Items

Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

F. Property Tax Calendar

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Restricted Assets

Certain proceeds of the jail construction capital projects fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable bond covenants. The "acquisition fund" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "payment fund" account is used to segregate resources accumulated for debt service payments over the next twelve months.

Yavapai County
Notes to Financial Statements
June 30, 2003

H. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$10,000		
Buildings	\$10,000	Straight-line	40 years
Machinery and Equipment	\$5,000	Straight-line	5 -10 years
Infrastructure	\$10,000	Straight-line	12-40 years

I. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

J. Compensated Absences

Compensated absences consist of paid time off (PTO) leave earned by employees based on services already rendered.

Employees may accumulate up to 764 hours of PTO, at various accrual rates, depending on years of service. PTO hours in excess of the maximum amount are forfeited. Upon termination of employment, all unused and unforfeited PTO benefits are paid to employees. Accordingly, PTO benefits are accrued as a liability in the financial statements.

Employees may also accumulate up to 520 hours of catastrophic time (CAT) leave. CAT leave may be used in the case of illness or injury suffered by an employee or employee's immediate family, but only after using at least forty hours of consecutive PTO leave. CAT leave benefits are cumulative but are forfeited upon termination of employment, and therefore are not accrued.

Yavapai County
Notes to Financial Statements
June 30, 2003

Note 2 - Deposits and Investments

Arizona Revised Statutes authorize the County to invest public monies in the State Treasurer's investment pool; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. The statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

County Treasurer's Investment Pool - Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer (see Note 17). Those monies are pooled with County monies for investment purposes.

Deposits - The investment pool's deposits at June 30, 2003, were entirely covered by federal depository insurance or by collateral held by the County's custodial bank in the County's name.

Investments - At June 30, 2003, the investments in the County Treasurer's investment pool consisted of the following.

	Fair Value
Investment in State Treasurer's investment pool	\$ 51,511,967
U.S. government securities	28,499,295
Total	\$ 80,011,262

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares.

The investment pool's investments at June 30, 2003, are categorized below to give an indication of the level of risk assumed by the County at year-end.

Category 1 - insured or registered in the County's name, or securities held by the County or its agent in the County's name.

Category 2 - uninsured and unregistered with securities held by the counterparty's trust department or agent in the County's name.

Category 3 - uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the County's name.

	Category	Fair Value		
	1	2	3	Fair Value
U.S. government securities	-	\$ 28,499,295	-	\$ 28,499,295
	-	\$ 28,499,295	-	28,499,295
Investments not subject to categorization:				
Investment in State Treasurer's investment pool				51,511,967
Total				\$ 80,011,262

Yavapai County
Notes to Financial Statements
June 30, 2003

Other Deposits – The County’s nonpooled deposits at June 30, 2003, were entirely covered by federal depository insurance or by collateral held by the County’s custodial banks in the County’s name.

Other Investments – At June 30, 2003, the County’s nonpooled investments consisted of the following:

	Fair Value
Money market funds-U.S. government securities	\$ 1,382,167
Total cash and cash equivalents	\$ 1,382,167

The fair value of the investments approximates the reported value. These investments are categorized as Category 3.

A reconciliation of cash and investments to amounts shown on the Statement of Net Assets as follows.

Cash and investments:

	County Treasurer's Investment Pool	Other	Total
Cash on hand	\$ 1,404,999	\$ 9,136	\$ 1,414,135
Carrying amount of deposits	535,226	5,189,027	5,724,253
Reported amount of investments	80,011,262	1,382,167	81,393,429
Total cash and cash equivalents	\$ 81,951,487	\$ 6,580,330	\$ 88,531,817

Statement of Net Assets:

	Total Primary Government	Total Fiduciary Funds	Total
Cash and cash equivalents	\$ 39,790,148	\$ 47,359,502	\$ 87,149,650
Cash and equivalents - restricted	1,382,167	-	1,382,167
Total cash and cash equivalents	\$ 41,172,315	\$ 47,359,502	\$ 88,531,817

Note 3 - Due From Other Governments

Amounts due from other governments at June 30, 2003, include \$1,491,182 in state-shared revenue from sales tax, \$249,406 in county excise tax distributions due from the State Treasurer, \$520,462 in state motor vehicle license taxes from the Arizona Department of Transportation, and \$109,393 in other fees from federal, state, and local governments recorded in the General Fund; \$870,143 in state-shared revenue from highway user taxes, and \$219,588 in state motor vehicle license tax recorded in the HURF Road Fund; \$668,162 in grants and other fees from federal, state grants and local governments recorded in the Other Governmental Funds; \$748,219 in county excise tax distributions due from the State Treasurer and \$354,082 in other fees from state and local governments recorded in the Regional Road Fund; \$398,629 in sales tax collections and \$33,573 in other fees from state and local governments recorded in the Jail District Fund; and \$1,368,197 due from AHCCCS in the Enterprise Fund.

Yavapai County
Notes to Financial Statements
June 30, 2003

Note 4 - Capital Assets

Capital assets activity for the year ended June 30,2003, was as follows:

	Balance July 1 ,2002	Increases	Decreases	Balance June 30, 2003
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,982,450	\$ 2,534,275	\$ -	\$ 9,516,725
Construction in progress (estimated cost to complete \$23,223,345)	17,246,886	21,601,925	(4,585,850)	34,262,961
Total capital assets not being Depreciated	24,229,336	24,136,200	(4,585,850)	43,779,686
Capital assets being depreciated:				
Buildings	33,375,357	2,451,772	-	35,827,129
Machinery and equipment	21,417,684	4,596,449	(1,376,649)	24,637,484
Infrastructure	7,009,161	3,526,828	-	10,535,989
Total	61,802,202	10,575,049	(1,376,649)	71,000,602
Less accumulated depreciation for:				
Buildings	(8,496,453)	(855,166)	-	(9,351,619)
Machinery and equipment	(14,688,088)	(2,200,843)	1,340,364	(15,548,567)
Infrastructure	(131,466)	(302,520)	-	(433,986)
Total	(23,316,007)	(3,358,529)	1,340,364	(25,334,172)
Total capital assets, being depreciated, net	38,486,195	7,216,520	(36,285)	45,666,430
Governmental activities capital assets, net	\$ 62,715,531	\$ 31,352,720	\$ (4,622,135)	\$ 89,446,116
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 416,942	\$ 26,576	\$ -	\$ 443,518
Total capital assets being depreciated	416,942	26,576	-	443,518
Less accumulated depreciation for:				
Machinery and equipment	(266,108)	(63,894)	-	(330,002)
Total	(266,108)	(63,894)	-	(330,002)
Business-type activities capital Assets, net	\$ 150,834	\$ (37,318)	\$ -	\$ 113,516

Yavapai County
Notes to Financial Statements
June 30, 2003

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 1,677,026
Public safety	416,734
Highway and streets	1,106,430
Sanitation	106,144
Health	28,840
Welfare	1,482
Education	21,811
Culture and Recreation	62
Total governmental activities depreciation expense	<u>\$ 3,358,529</u>
Business-type activities:	
Long-term care	<u>\$ 63,894</u>
Total business-type activities depreciation expense	<u>\$ 63,894</u>

Construction Commitments

The County has active construction projects as of June 30, 2003. The projects include the construction of a major addition to the jail, a new health building and a major road improvement. At June 30, 2003 the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Jail Addition	\$ 13,183,857	\$ 3,660,329
Health Building	55,358	1,491,641
Mingus Avenue	-	7,249,000
Total	<u>\$ 13,239,215</u>	<u>\$ 12,400,970</u>

Revenue bonds and transfers from the general fund are financing the jail addition commitment. The health building is also funded out of the general fund. The Mingus Avenue road improvement project commitment is being funded by sales taxes out of the regional road fund.

Note 5 - Long-term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2003.

	Balance July 1, 2002	Additions	Reductions	Balance June 30, 2003	Due within 1 year
Governmental Activities:					
Special assessment debt payable with government commitment	\$ 1,956,750	\$ -	\$ (118,656)	\$ 1,838,094	\$ 122,940
Revenue bonds	15,260,000	-	(1,315,000)	13,945,000	1,350,000
Total special assessment debt payable and revenue bonds payable	17,216,750	-	(1,433,656)	15,783,094	1,472,940
Notes payable	-	9,000,000	(187,500)	8,812,500	2,437,500
Compensated absences payable	5,275,546	3,864,212	(3,356,897)	5,782,861	3,679,635
Obligations under capital leases	711,629	1,202,559	(416,898)	1,497,290	691,436
Landfill closure and postclosure care costs payable	1,427,325	-	(87,750)	1,339,575	-
Claims and judgments payable	387,705	89,440	(107,551)	369,594	92,399
Governmental activities long-term liabilities	<u>\$ 25,018,955</u>	<u>\$ 14,156,211</u>	<u>\$ (5,590,252)</u>	<u>\$ 33,584,914</u>	<u>\$ 8,373,910</u>

Yavapai County
Notes to Financial Statements
June 30, 2003

Note 6 - Special Assessment Debt Payable

As described in the “Blended Component Units” section of Note 1, the Yavapai County Board of Supervisors acts as the Board of Directors of various special districts, therefore the bonded debt of these districts is included as part of the Yavapai County reporting entity.

Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. The proceeds of the bond issues were used to finance construction in these districts. These bonds are generally callable with interest payable semiannually. However, in accordance with the bond indenture for each special assessment bond issue, and in the opinion of the County Attorney, the County is not legally obligated in any way for the special assessment bonded indebtedness.

The following special assessment districts had debt outstanding at June 30, 2003.

District	Interest Rates	Maturity Ranges	Outstanding Principal July 1, 2002	Retirements	Outstanding Principal June 30, 2003
Bonds					
Granite Gardens 1989	6.13 %	7/1/90-7/1/2007	\$ 63,000	\$ (10,000)	\$ 53,000
Pine Valley Street Imp.	6.45 %	7/1/97-7/1/2007	50,000	(10,000)	40,000
Coyote Springs Road Imp.	6.40 %	1/1/03-1/1/2022	1,552,000	(72,000)	1,480,000
Note Payable					
Prescott East Sanitary Dist.	4.82 %	7/1/02-7/1/2010	291,750	(26,656)	265,094
Total			<u>\$ 1,956,750</u>	<u>\$ (118,656)</u>	<u>\$ 1,838,094</u>

Special assessment debt service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30, 2004	\$ 122,940	\$ 110,604
2005	127,287	103,199
2006	130,699	95,546
2007	132,178	87,692
2008	108,730	80,109
2009-2013	496,260	303,854
2014-2018	400,000	166,400
2019-2022	320,000	40,960
Total	<u>\$ 1,838,094</u>	<u>\$ 988,364</u>

Note 7 - Bonds

The County’s bonded debt consists of \$15,260,000 revenue bonds issued by the Yavapai County Jail District on February 13, 2002. As described in the “Blended Component Units” section of Note 1, the Yavapai County Board of Supervisors acts as the Board of Directors of various special districts, therefore the bonded debt of these districts is included as part of the Yavapai County reporting entity.

The bond proceeds are being used to construct a new jail and to remodel an existing jail. The bonds will be repaid from maintenance of effort payments from the County’s general fund to the District and a voter approved excise tax. The total budgeted and

Yavapai County
Notes to Financial Statements
June 30, 2003

actual maintenance of effort payments transferred to the District in the fiscal year ended June 30, 2003 was \$5,225,000. Excise taxes received for the same period were \$4,489,617, which was 3% less than the budgeted amount of \$4,620,000.

Bonds outstanding at June 30, 2003, were as follows:

Jail District	Interest Rates	Maturity Ranges	Outstanding Principal July 1, 2002	Retirements	Outstanding Principal June 30, 2003
Revenue bonds	3-4.3 %	7/1/2003- 7/1/2012	\$15,260,000	\$ (1,315,000)	\$ 13,945,000
Total			<u>\$15,260,000</u>	<u>\$ (1,315,000)</u>	<u>\$ 13,945,000</u>

The following schedule details debt service requirements to maturity for the County's revenue bonds payable at June 30, 2003.

	Governmental Activities	
	Principal	Interest
Year ending June 30, 2004	\$ 1,350,000	\$ 515,690
2005	1,395,000	475,190
2006	1,435,000	433,340
2007	1,480,000	387,420
2008	1,530,000	335,620
2009-2012	6,755,000	720,600
Total	<u>\$ 13,945,000</u>	<u>\$ 2,867,860</u>

The bond agreement requires that unspent bond proceeds be maintained with an outside fiscal agent and be invested in various types of securities. The unspent proceeds, \$1,382,167 (as described in Note 2) have been maintained as required.

Note 8 - Notes Payable

Yavapai County entered into two loan agreements with the Arizona State Department of Transportation, through its Highway Expansion and Extension Loan Program (HELP) for funds needed to complete the construction of a major road project. The County's notes payable at June 30, 2003 are as follows:

HELP loan dated July 1, 2002, principal amount of \$4,500,000, payable monthly over 24 months beginning July 15, 2003, interest rate of 1.83%, secured by the County's highway user revenues.	\$4,312,500
HELP loan dated July 15, 2002, principal amount of \$4,500,000, payable monthly over 24 months beginning July 15, 2004, interest rate of 2.25.%, secured by the County's highway user revenues.	<u>4,500,000</u>
Total Notes Payable	8,812,500
Less Current Maturities	<u>2,437,500</u>
Long-term portion of Notes Payable	<u>\$6,375,000</u>

Yavapai County
Notes to Financial Statements
June 30, 2003

The following schedule details debt service requirements to maturity for the County's loans payable at June 30, 2003.

	Governmental Activities	
	Principal	Interest
Year ending June 30, 2004	\$2,437,500	\$264,235
2005	4,312,500	92,700
2006	2,062,500	23,203
Total	\$8,812,500	\$380,138

Note 9 - Compensated Absences and Claims and Judgments

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2003, the County paid for compensated absences as follows: 54 percent from the General Fund, 20 percent from major funds, and 26 percent from other funds. The County paid for claims and judgments from the General Fund.

Note 10 - Capital Leases

The County has acquired equipment items under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and equipment	\$ 2,232,605
Less: accumulated depreciation	(360,768)
Carrying value	\$ 1,871,837

The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2003.

	Governmental Activities
Year ending June 30, 2004	\$ 723,057
2005	544,152
2006	277,576
Total minimum lease payments	1,544,785
Less amount representing interest	47,495
Present value of net minimum capital lease payments	\$ 1,497,290

Yavapai County
Notes to Financial Statements
June 30, 2003

Note 11 - Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place final covers on its 7 landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the dates that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfills are closed. These costs will be paid from the Landfill/Environment special revenue fund.

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The \$1,339,575 reported as landfill closure and postclosure care liability at June 30, 2003, represents the cumulative amount reported to date. All 7 landfills stopped accepting waste and were closed prior to June 30, 2002. These cumulative amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2002 and have been adjusted for changes in estimates during the fiscal year. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

According to state and federal laws and regulations, the County must comply with the local government financial test requirements that assure the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

Note 12 - Insurance Claims

The County provides health benefits to its employees and their dependents through the Yavapai Combined Trust, currently composed of three members. The Trust provides benefits up to \$100,000 per individual per calendar year through a self-funding agreement with its participants and purchases commercial insurance to cover claims in excess of this limit. An independent administrator provides the trust with claim and recordkeeping services. The County is responsible for paying the premiums and requires its employees to contribute for dependent coverage. The County is not liable for claims in excess of coverage limits and cannot be assessed retroactive premium adjustments. If it withdraws from the Trust, the County would be responsible for its proportional share of any claims run-out costs, which exceed Trust Fund reserves established for the incurred but not reported claims liability. If the Trust were to terminate, the County would be responsible for its proportional share of any Trust deficit.

Note 13 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the County joined and is covered by three public

Yavapai County
Notes to Financial Statements
June 30, 2003

entity risk pools: the Arizona Counties Property and Casualty Pool, and the Arizona Counties Workers' Compensation Pool which are described below, and the Yavapai Combined Trust, which is described above.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and deductibles of \$25,000 per occurrence for property claims and \$50,000 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$100 million per occurrence for property claims and \$15 million per occurrence for liability claims. A County must participate in the pool at least three years after becoming a member; however, it may withdraw after the initial three-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience rating formula, that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance triennially. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation.

Note 14 - Line of Credit Arrangement

The County has a \$12,040,000 line of credit arrangement with a bank. The line of credit matures on June 30, 2005, and is collateralized by U.S. Government-backed securities.

At June 30, 2003, the line of credit was not utilized.

Note 15 - Retirement Plans

Plan Descriptions - The County contributes to four plans, three of which are described below. The Elected Officials Retirement Plan is not described due to its relative insignificance to the County's financial statements. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

Yavapai County
Notes to Financial Statements
June 30, 2003

The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the County. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System* (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and 181 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The *Corrections Officer Retirement Plan* (CORP) is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona, Departments of Corrections and Juvenile Corrections, and County employees whose primary duties require direct inmate contact. The CORP is governed by The Fund Manager of PSPRS and 23 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

Each plan issues a publicly available annual financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

<u>ASRS</u> 3300 N. Central Ave. P.O. Box 33910 Phoenix, AZ 85067-3910 (602) 240-2000 or (800) 621-3778	<u>PSPRS and CORP</u> 1020 E. Missouri Ave. Phoenix, AZ 85014 (602) 255-5575
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Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates.

Cost-sharing plan - For the year ended June 30, 2003, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 2.49 percent (2.00 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The County's contributions to ASRS for the years ended June 30, 2003, 2002, and 2001 were \$960,807, \$857,912 and \$837,853 respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2003, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 10.16 percent. Active CORP members were required by statute to contribute 8.5 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 3.07 percent.

Yavapai County
Notes to Financial Statements
June 30, 2003

Annual Pension Cost - The County's pension cost for the two agent plans for the year ended June 30, 2003, and related information follow.

	<u>PSPRS</u>	<u>CORP</u>
Contribution rates:		
County	10.16%	3.07%
Plan members	7.65%	8.50%
Annual pension cost	\$465,783	\$126,031
Contributions made	\$465,783	\$126,031

The current-year annual required contributions for both the PSPRS and the CORP were determined as part of their June 30, 2001, actuarial valuations using the entry-age actuarial cost method. The actuarial assumptions included (a) 9 percent investment rate of return and (b) projected salary increases ranging from 6.5 percent to 9.5 percent per year. Both (a) and (b) included an inflation component of 5.5 percent. The assumptions did not include cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 4-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2001, was 20 years.

Trend Information - Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Contributions Required and Contributions Made

<u>Plan</u>	<u>Year Ended</u> <u>June 30</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	Percentage of <u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
PSPRS	2003	\$465,783	100%	\$ -0-
	2002	547,661	100%	-0-
	2001	522,274	100%	-0-
CORP	2003	126,031	100%	-0-
	2002	87,233	100%	-0-
	2001	100,722	100%	-0-

Yavapai County
Notes to Financial Statements
June 30, 2003

Note 16 - Interfund Balances and Activity

Interfund receivables and payables-interfund balances at June 30, 2003, were as follows:

Payable To				
	General Fund	Jail District	Jail Construction	Regional Road
Payable from				
General Fund	\$ -	\$ -	\$ -	\$ 484
Jail District	-	-	72,399	-
Jail Construction	16,717	-	-	-
HURF Road	2,069	-	-	-
Capital Projects	-	-	-	-
Nonmajor funds	23,325	197,728	-	5,288
Total governmental	\$ 42,111	\$ 197,728	\$ 72,399	\$ 5,772

Payable To				
	HURF Road	Capital Projects	Nonmajor Funds	Total
Payable from				
General Fund	\$ 39,767	\$ 6,182,600	\$ 25,672	\$ 6,248,523
Jail District	-	-	-	72,399
Jail Construction	-	21	-	16,738
HURF Road	-	-	547	2,616
Capital Projects	2,253	-	-	2,253
Nonmajor funds	17,406	-	379,483	623,230
Total governmental	\$ 59,426	\$ 6,182,621	\$ 405,702	\$ 6,965,759

The interfund balances resulted from time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Yavapai County
Notes to Financial Statements
June 30, 2003

Interfund transfers-interfund transfers for the year ended June 30, 2003, were as follows:

	Transfer To			
	General Fund	Jail District	Jail Construction	HURF Road
Transfer from				
General Fund	\$ -	\$5,225,000	\$ -	\$ -
Jail District	-	-	144,751	-
Jail Construction	-	-	-	-
HURF Road	1,532,000	-	-	-
Regional Road	-	-	-	300,000
Nonmajor funds	1,400,783	-	-	-
Total governmental	<u>2,932,783</u>	<u>5,225,000</u>	<u>144,751</u>	<u>300,000</u>
Long-term Care	2,000,000	-	-	-
Total primary government	<u>\$ 4,932,783</u>	<u>\$5,225,000</u>	<u>\$ 144,751</u>	<u>\$ 300,000</u>

	Transfer To			
	Regional Road	Capital Projects	Nonmajor Funds	Total
Transfer from				
General Fund	\$ -	\$7,682,600	\$1,925,599	\$14,833,199
Jail District	-	-	1,787,117	1,931,868
Jail Construction	-	-	87,174	87,174
HURF Road	-	-	-	1,532,000
Regional Road	-	-	273,053	573,053
Nonmajor funds	78,719	-	529,907	2,009,409
Total governmental	<u>78,719</u>	<u>7,682,600</u>	<u>4,602,850</u>	<u>20,966,703</u>
Long-term Care	-	-	-	2,000,000
Total primary government	<u>\$ 78,719</u>	<u>\$7,682,600</u>	<u>\$4,602,850</u>	<u>\$22,966,703</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) move amounts in excess of required minimum balances, as approved by AHCCCS.

Note 17 - Condensed Financial Statements of the County Treasurer's Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County monies under his stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

Yavapai County
Notes to Financial Statements
June 30, 2003

The fair value of investments held by the State Treasurer in the Local Government Investment Pool at June 30, 2003 has been reduced due to a drop in the value of securities held in the NPF XII trust serviced by National Century Financial Enterprises. The total reduction was \$2,567,105 of which \$1,529,692, or 59%, represents a reduction in the fair value of investments held in trust for external participants.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The pool's structure does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the values of the participants' investments.

Details of each major investment classification follow.

Investment Type	Principal	Interest Rates	Maturities	Fair Value
U.S. government securities	\$28,000,000	2.125-6.375%	11/14/03-4/21/08	\$28,499,295
Investment in State Treasurer's investment pool	51,511,967	1.5445%	None stated	51,511,967

A condensed statement of the investment pool's net assets and changes in net assets follows.

Statement of Net Assets

Assets	\$ 81,951,487
Liabilities	-
Net assets	<u>\$ 81,951,487</u>
Net assets held in trust for:	
Internal participants	\$ 37,838,370
External participants	44,113,117
Total net assets held in trust	<u>\$ 81,951,487</u>

Statement of Changes in Net Assets

Total additions	\$ 388,986,639
Total deductions	385,274,816
Net increase	<u>3,711,823</u>
Net assets held in trust:	
July 1, 2002	78,239,664
June 30, 2003	<u>\$ 81,951,487</u>

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REQUIRED SUPPLEMENTARY INFORMATION

Yavapai County
 Required Supplementary Information
 Schedule of Agent Retirement Plans' Funding Progress
 June 30, 2003

Public Safety Personnel Retirement System

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage Of Covered Payroll ([a-b]/c)
6/30/03	\$13,059,119	\$15,833,057	\$ (2,773,938)	82.5%	\$4,419,330	62.8%
6/30/02	12,560,975	14,232,671	(1,671,696)	88.3%	4,318,078	38.7%
6/30/01	12,289,353	12,390,100	(100,747)	99.2%	4,370,943	2.3%

Corrections Officer Retirement Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage Of Covered Payroll ([a-b]/c)
6/30/03	\$6,286,600	\$5,835,586	\$ 451,014	107.7%	\$4,073,025	-
6/30/02	6,022,539	5,274,883	747,656	114.2%	3,954,989	-
6/30/01	5,856,844	4,286,737	1,570,107	136.6%	3,797,366	-

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 26,268,000	\$ 26,268,000	\$ 26,269,489	\$ 1,489
Licenses and Permits	2,480,000	2,480,000	2,437,312	(42,688)
Intergovernmental	26,696,000	26,696,000	25,528,873	(1,167,127)
Charges For Services	1,565,000	1,565,000	1,639,219	74,219
Fines and Forfeits	1,500,000	1,500,000	1,764,290	264,290
Investment Income	350,000	350,000	(61,356)	(411,356)
Miscellaneous	1,132,675	1,132,675	938,582	(194,093)
Total Revenues	<u>59,991,675</u>	<u>59,991,675</u>	<u>58,516,409</u>	<u>(1,475,266)</u>
Expenditures:				
Board of Supervisors	595,595	595,595	561,503	34,092
Human Resources	539,577	543,577	531,497	12,080
General Services	4,352,146	3,951,451	3,735,678	215,773
Emergency Management	94,239	94,239	72,467	21,772
Elections	702,321	702,321	651,506	50,815
Facilities	3,064,580	3,087,580	3,039,638	47,942
Development Services	3,179,292	3,179,292	3,126,155	53,137
Fleet	1,832,692	1,832,692	1,715,950	116,742
Finance	481,002	495,610	495,610	-
Assessor	2,689,665	2,689,665	2,677,286	12,379
Attorney	2,959,856	2,959,856	2,959,495	361
Voter Registration	285,672	285,672	284,815	857
Recorder	594,795	601,273	601,273	-
Management Information System	4,172,179	3,850,004	3,849,347	657
Clerk of the Court	1,540,188	1,540,188	1,509,306	30,882
Treasurer	580,566	580,566	574,093	6,473
Records Management	225,801	228,347	228,346	1
Superior Courts	2,567,867	2,630,344	2,630,343	1
Public Defender	2,099,909	2,466,513	2,466,513	-
Prescott Justice of the Peace	440,406	440,406	418,728	21,678
Prescott Constable	53,026	53,774	53,773	1
Bagdad/Yarnell Justice of the Peace	230,888	234,562	234,562	-
Verde Valley justice of the Peace	379,924	397,018	397,018	-
Mayer Justice of the Peace	317,898	317,898	295,779	22,119
Verde Constable	51,281	51,281	47,125	4,156
Seligman Justice of the Peace	218,682	219,003	219,001	2
Total General Government	<u>34,250,047</u>	<u>34,028,727</u>	<u>33,376,807</u>	<u>651,920</u>

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety:				
Sheriff	7,836,082	8,018,777	7,852,523	166,254
Adult Probation	1,199,543	1,199,543	1,166,577	32,966
Juvenile Probation	1,542,282	1,561,880	1,561,880	-
Total Public Safety	<u>10,577,907</u>	<u>10,780,200</u>	<u>10,580,980</u>	<u>199,220</u>
Welfare:				
Medical Assistant	7,677,587	7,677,587	7,893,357	(215,770)
Public Fiduciary	335,267	335,267	312,906	22,361
Total Welfare	<u>8,012,854</u>	<u>8,012,854</u>	<u>8,206,263</u>	<u>(193,409)</u>
Education:				
School Superintendent	444,364	463,391	463,390	1
Total Education	<u>444,364</u>	<u>463,391</u>	<u>463,390</u>	<u>1</u>
Total Expenditures	<u>53,285,172</u>	<u>53,285,172</u>	<u>52,627,440</u>	<u>657,732</u>
Excess of revenues over (under) Expenditures	<u>6,706,503</u>	<u>6,706,503</u>	<u>5,888,969</u>	<u>(817,534)</u>
Other financing sources (uses):				
Transfer In	2,874,096	2,874,096	4,932,783	2,058,687
Transfer Out	(15,070,599)	(15,070,599)	(14,833,199)	237,400
Sale of General Fixed Assets	-	-	252,182	252,182
Total other financing source (uses)	<u>(12,196,503)</u>	<u>(12,196,503)</u>	<u>(9,648,234)</u>	<u>2,548,269</u>
Net change in fund balance	<u>(5,490,000)</u>	<u>(5,490,000)</u>	<u>(3,759,265)</u>	<u>1,730,735</u>
Fund balances, July 1, 2002	<u>5,490,000</u>	<u>5,490,000</u>	<u>5,544,258</u>	<u>54,258</u>
Fund balances, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,784,993</u>	<u>\$ 1,784,993</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,620,000	\$ 4,620,000	\$ 4,489,617	\$ (130,383)
Charges for services	-	-	168,863	168,863
Investment income	-	-	3,473	3,473
Miscellaneous	684,000	684,000	17,741	(666,259)
Total revenues	<u>5,304,000</u>	<u>5,304,000</u>	<u>4,679,694</u>	<u>(624,306)</u>
Expenditures:				
Public safety:				
Sheriff	7,721,182	7,721,182	8,001,108	(279,926)
Total expenditures	<u>7,721,182</u>	<u>7,721,182</u>	<u>8,001,108</u>	<u>(279,926)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,417,182)</u>	<u>(2,417,182)</u>	<u>(3,321,414)</u>	<u>904,232</u>
Other financing sources (uses):				
Transfer in	5,225,000	5,225,000	5,225,000	-
Transfer out	<u>(6,870,000)</u>	<u>(6,870,000)</u>	<u>(1,931,868)</u>	<u>4,938,132</u>
Total other financing sources (uses)	<u>(1,645,000)</u>	<u>(1,645,000)</u>	<u>3,293,132</u>	<u>4,938,132</u>
Net changes in fund balances	(4,062,182)	(4,062,182)	(28,282)	4,033,900
Fund balances, July 1, 2002	<u>4,062,182</u>	<u>4,062,182</u>	<u>5,188,700</u>	<u>1,126,518</u>
Fund balances, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,160,418</u>	<u>\$ 5,160,418</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Regional Road Fund
Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,774,000	\$ 8,774,000	\$ 8,459,878	\$ (314,122)
Licenses and permits	1,352,000	1,352,000	1,355,970	3,970
Investment income	240,000	240,000	33,849	(206,151)
Miscellaneous	-	-	28,039	28,039
Total revenues	10,366,000	10,366,000	9,877,736	(488,264)
Expenditures:				
Highways and streets:				
Public works	21,444,317	21,444,317	13,039,571	8,404,746
Total expenditures	21,444,317	21,444,317	13,039,571	8,404,746
Excess (deficiency) of revenues over (under) expenditures	(11,078,317)	(11,078,317)	(3,161,835)	7,916,482
Other financing sources (uses):				
Transfer in	-	-	78,719	78,719
Transfer out	(300,000)	(300,000)	(573,053)	(273,053)
Loan proceeds	-	-	9,000,000	9,000,000
Total other financing sources (uses)	(300,000)	(300,000)	8,505,666	8,805,666
Net changes in fund balances	(11,378,317)	(11,378,317)	5,343,831	16,722,148
Fund balances, July 1, 2002	11,378,317	11,378,317	2,849,605	(8,528,712)
Fund balances, June 30, 2003	\$ -	\$ -	\$ 8,193,436	\$ 8,193,436

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
HURF Road Fund
Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,524,926	\$ 10,524,926	\$ 12,294,954	\$ 1,770,028
Investment income	-	-	22,385	22,385
Miscellaneous	250,000	250,000	354,594	104,594
Total revenues	10,774,926	10,774,926	12,671,933	1,897,007
Expenditures:				
Highways and streets:				
Public works	10,460,340	10,478,979	9,965,271	513,708
Fleet	1,414,586	1,395,947	1,403,938	(7,991)
Total expenditures	11,874,926	11,874,926	11,369,209	505,717
Excess (deficiency) of revenues over (under) expenditures	(1,100,000)	(1,100,000)	1,302,724	2,402,724
Other financing sources (uses):				
Transfer in	300,000	300,000	300,000	-
Transfer out	-	-	(1,532,000)	(1,532,000)
Sale of capital assets	-	-	94,859	94,859
Total other financing sources (uses)	300,000	300,000	(1,137,141)	(1,437,141)
Net changes in fund balances	(800,000)	(800,000)	165,583	965,583
Fund balances, July 1, 2002	800,000	800,000	1,252,935	452,935
Decrease in reserve for inventories	-	-	(20,576)	(20,576)
Fund balances, June 30, 2003	\$ -	\$ -	\$ 1,397,942	\$ 1,397,942

See accompanying notes to budgetary comparison schedules.

Yavapai County
 Required Supplementary Information
 Notes to Budgetary Comparison Schedules
 Year Ended June 30, 2003

Note 1 - Budgetary Basis of Accounting

The County's adopted budget is prepared on a basis consistent with generally accepted accounting principles, except that the present value of net minimum capital lease payments are not budgeted.

The following schedule reconciles the excess of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances to the budgetary comparison schedules.

	HURF Road Fund
Excess of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 100,165
Present Value of net minimum capital lease payments	1,202,559
Excess of revenues over expenditures from the budgetary comparison schedules	\$ 1,302,724

Note 2 - Expenditures in Excess of Appropriations

For the year ended June 30, 2003, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) for the Jail District Fund. Expenditures exceeded the final budget amount by \$279,926.

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OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Health Care	Accounts for a variety of health service programs funded by federal and state grant funds, appropriations, fees and local government contributions.
Recorder's Surcharge	Accounts for the collection of a special recording surcharge, not to exceed four dollars, to be used to defray the cost of converting the County Recorder's document storage and retrieval system to micrographics or computer automation as established by A.R.S. § 11-475.01.
Assessor's Surcharge	Accounts for the collection of a special recording surcharge, not to exceed four dollars, to be used to defray the cost of converting the County Assessor's document storage and retrieval system to micrographics or computer automation as established by A.R.S. § 11-269.06.
Public Library	Provides and maintains library services for the residents of Yavapai County. Operations are funded by a secondary tax levy.
School	Educational services and programs administered by the County School Superintendent.
Parks & Recreation	Accounts for fees and grants used for construction, maintenance and operation of parks.
Water Advisory Committee	Accounts for local government contributions used to assess the current and future supply of water.
Landfill / Environment	Used to fund operations of transfer stations, waste tire operations and closure costs of County landfills.
Public Works	Accounts for highway user fees restricted to construction, repair and maintenance of County roads.
C.D.B.G.	Community Development Block Grant is a federal grant for construction of facilities and acquisition of equipment for local non-profit and public entities.
Improvement Districts	Administration of special districts for Street Lighting, Road and Sewer improvements.
Clerk of Superior Court	Accounts for statutory fees collected and used for document storage and retrieval. Also fees used for "fill-the gap" purposes.
County Attorney	Accounts for various programs administered by the County Attorney including Anti-Racketeering, Victim Witness and Bad Check.
Law Enforcement	Used for various law enforcement services and programs. Funding sources include federal and state grants.
Probation	Accounts for Adult and Juvenile Probation programs and services provided in coordination with the Superior Court System.
Courts	Accounts for statutory fees and surcharges related to the courts, and is used for the processing of criminal cases as well as court enhancement and records improvement.

Public Defender Provides training related seminars, books and materials for staff and attorneys. Includes a state grant for indigent defense costs.

CAPITAL PROJECTS FUNDS

Juvenile Jail Improvement Accounts for state funded improvements for a new remanded juvenile jail facility.

Airport Development Airport enhancement projects for Seligman, Bagdad and Sedona funded by State grants.

DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation of resources for the payment of principal and interest on the revenue bonds issued for jail construction and special assessment bonds for the Coyote Springs, Granite Gardens and Pine Valley special assessment districts and the notes payable for the HELP loan and the Prescott East special assessment district. Funding for the special assessment debt is provided by assessments made against the benefiting owners.

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Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

Assets	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Public Library
Cash and cash equivalents	\$ 1,248,604	\$ 684,416	\$ 195,236	\$ 149,240
Receivables:				
Property taxes	-	-	-	79,847
Special assessments	-	-	-	-
Accounts	145,368	9,121	7,402	989
Due from:				
Other funds	230,139	-	-	2,189
Other governments	189,030	-	10,000	-
Prepaid items	1,331	3,411	-	-
Total assets	<u>\$ 1,814,472</u>	<u>\$ 696,948</u>	<u>\$ 212,638</u>	<u>\$ 232,265</u>
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 124,580	\$ 1,738	\$ -	\$ 24,721
Accrued payroll and employee benefits	148,556	1,362	6,042	8,868
Due to:				
Other funds	231,251	-	-	2,304
Interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Deferred revenue	-	-	-	48,785
Total liabilities	<u>504,387</u>	<u>3,100</u>	<u>6,042</u>	<u>84,678</u>
Fund Equity				
Fund balances:				
Reserved for debt service	-	-	-	-
Unreserved	1,310,085	693,848	206,596	147,587
Total fund equity	<u>1,310,085</u>	<u>693,848</u>	<u>206,596</u>	<u>147,587</u>
Total liabilities and fund equity	<u>\$ 1,814,472</u>	<u>\$ 696,948</u>	<u>\$ 212,638</u>	<u>\$ 232,265</u>

School	Parks & Recreation	Water Advisory Committee	Landfill / Environment	Public Works	CDBG
\$ 456,145	\$ 800,464	\$ 236,471	\$ 443,899	\$ 36,112	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,843	88,074	1,068	47,658	164	-
4,326	540	-	37,321	-	-
54,683	-	-	76,015	-	9,371
-	-	-	-	-	-
<u>\$ 516,997</u>	<u>\$ 889,078</u>	<u>\$ 237,539</u>	<u>\$ 604,893</u>	<u>\$ 36,276</u>	<u>\$ 9,371</u>
\$ 20,924	\$ 27,187	\$ 8	\$ 84,619	\$ -	\$ 6,157
8,120	-	1,828	9,088	-	-
5,557	20,005	-	38,221	-	2,645
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,601</u>	<u>47,192</u>	<u>1,836</u>	<u>131,928</u>	<u>-</u>	<u>8,802</u>
-	-	-	-	-	-
<u>482,396</u>	<u>841,886</u>	<u>235,703</u>	<u>472,965</u>	<u>36,276</u>	<u>569</u>
<u>482,396</u>	<u>841,886</u>	<u>235,703</u>	<u>472,965</u>	<u>36,276</u>	<u>569</u>
<u>\$ 516,997</u>	<u>\$ 889,078</u>	<u>\$ 237,539</u>	<u>\$ 604,893</u>	<u>\$ 36,276</u>	<u>\$ 9,371</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003
(Continued)

Assets	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Cash and cash equivalents	\$ 2,074,710	\$ 300,494	\$ 497,510	\$ 758,645
Receivables:				
Property taxes	153,852	-	-	-
Special assessments	-	-	-	-
Accounts	11,186	27,628	79,046	37,525
Due from:				
Other funds	-	-	43,538	8,623
Other governments	-	-	65,892	101,521
Prepaid items	-	-	-	-
Total assets	<u>\$ 2,239,748</u>	<u>\$ 328,122</u>	<u>\$ 685,986</u>	<u>\$ 906,314</u>
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 549,138	\$ -	\$ 10,540	\$ 84,744
Accrued payroll and employee benefits	11,461	742	22,292	11,422
Due to:				
Other funds	69,815	-	23,541	202,330
Interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Deferred revenue	91,442	-	-	-
Total liabilities	<u>721,856</u>	<u>742</u>	<u>56,373</u>	<u>298,496</u>
Fund Equity				
Fund balances:				
Reserved for debt service	-	-	-	-
Unreserved	1,517,892	327,380	629,613	607,818
Total fund equity	<u>1,517,892</u>	<u>327,380</u>	<u>629,613</u>	<u>607,818</u>
Total liabilities and fund equity	<u>\$ 2,239,748</u>	<u>\$ 328,122</u>	<u>\$ 685,986</u>	<u>\$ 906,314</u>

<u>Probation</u>	<u>Courts</u>	<u>Public Defender</u>
\$ 232,353	\$ 682,900	\$ 80
-	-	-
-	-	-
43,740	32,991	7,775
17,720	1,013	-
88,862	33,299	30,018
-	6,713	-
<u>\$ 382,675</u>	<u>\$ 756,916</u>	<u>\$ 37,873</u>

\$ 89,436	\$ 14,234	\$ 2,143
95,880	19,393	887
17,890	141	8,611
-	-	-
-	-	-
-	-	-
<u>203,206</u>	<u>33,768</u>	<u>11,641</u>

-	-	-
<u>179,469</u>	<u>723,148</u>	<u>26,232</u>
<u>179,469</u>	<u>723,148</u>	<u>26,232</u>
<u>\$ 382,675</u>	<u>\$ 756,916</u>	<u>\$ 37,873</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003
(Continued)

Assets	Capital Projects	
	Juvenile Jail Improvement	Airport Development
Cash and cash equivalents	\$ 434,011	\$ -
Receivables:		
Property taxes	-	-
Special assessments	-	-
Accounts	2,296	11
Due from:		
Other funds	-	-
Other governments	-	9,471
Prepaid items	-	-
Total assets	\$ 436,307	\$ 9,482
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	\$ 98,000	\$ 6,690
Accrued payroll and employee benefits	-	-
Due to:		
Other funds	-	919
Interest payable	-	-
Matured bonds payable	-	-
Deferred revenue	-	-
Total liabilities	98,000	7,609
Fund Equity		
Fund balances:		
Reserved for debt service	-	-
Unreserved	338,307	1,873
Total fund equity	338,307	1,873
Total liabilities and fund equity	\$ 436,307	\$ 9,482

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Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003
(Continued)

	Debt Service			
	Jail District	Coyote Springs	Prescott East	Granite Gardens
Assets				
Cash and cash equivalents	\$ 1,648,426	\$ 38,069	\$ -	\$ 33,233
Receivables:				
Property taxes	-	-	-	331
Special assessments	-	1,236,486	174,655	-
Accounts	-	-	-	-
Due from:				
Other funds	-	-	60,293	-
Other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 1,648,426	\$ 1,274,555	\$ 234,948	\$ 33,564
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to:				
Other funds	-	-	-	-
Interest payable	277,570	-	-	-
Matured bonds payable	1,315,000	-	-	-
Deferred revenue	-	1,236,486	174,655	244
Total liabilities	1,592,570	1,236,486	174,655	244
Fund Equity				
Fund balances:				
Reserved for debt service	55,856	38,069	60,293	33,320
Unreserved	-	-	-	-
Total fund equity	55,856	38,069	60,293	33,320
Total liabilities and fund equity	\$ 1,648,426	\$ 1,274,555	\$ 234,948	\$ 33,564

<u>Pine Valley</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 32,531	\$ 10,983,549
-	234,030
21,467	1,432,608
	543,885
-	405,702
-	668,162
-	11,455
<u>\$ 53,998</u>	<u>\$ 14,279,391</u>

\$ -	\$ 1,144,859
-	345,941
-	623,230
-	277,570
-	1,315,000
19,674	1,571,286
<u>19,674</u>	<u>5,277,886</u>

34,324	221,862
-	8,779,643
<u>34,324</u>	<u>9,001,505</u>
<u>\$ 53,998</u>	<u>\$ 14,279,391</u>

Yavapai County
Combining Statement of
Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2003

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Public Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,614,255
Special assessments	-	-	-	-
Licenses and permits	324,028	-	-	-
Intergovernmental	3,644,422	-	-	33,000
Charges for services	2,162,279	435,320	434,620	-
Fines and forfeits	-	-	-	-
Investment income	(83)	1,941	2,214	48
Miscellaneous	676,351	-	40,000	74,929
Total Revenues	<u>6,806,997</u>	<u>437,261</u>	<u>476,834</u>	<u>1,722,232</u>
Expenditures:				
General government	-	271,830	249,019	1,622,488
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	7,875,991	-	-	-
Education	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Aid to other governments	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>7,875,991</u>	<u>271,830</u>	<u>249,019</u>	<u>1,622,488</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,068,994)</u>	<u>165,431</u>	<u>227,815</u>	<u>99,744</u>
Other Financing Sources (Uses):				
Transfer in	986,527	-	190,000	-
Transfer out	(72,119)	(40,000)	(271,177)	(135,000)
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>914,408</u>	<u>(40,000)</u>	<u>(81,177)</u>	<u>(135,000)</u>
Net changes in fund balances	(154,586)	125,431	146,638	(35,256)
Fund Balance, July 1, 2002	<u>1,464,671</u>	<u>568,417</u>	<u>59,958</u>	<u>182,843</u>
Fund Balance, June 30, 2003	<u>\$ 1,310,085</u>	<u>\$ 693,848</u>	<u>\$ 206,596</u>	<u>\$ 147,587</u>

School	Parks & Recreation	Water Advisory Committee	Landfill / Environment	Public Works	CDBG
\$ 313,951	\$ 324,354	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
741,784	255,152	226,000	382,593	25,623	286,705
180,556	-	-	430,130	-	-
-	-	-	-	-	-
596	3,477	(1,746)	(4,619)	156	-
116,946	80,906	17	86,175	-	25
<u>1,353,833</u>	<u>663,889</u>	<u>224,271</u>	<u>894,279</u>	<u>25,779</u>	<u>286,730</u>
-	20,000	219,699	52,316	51,246	289,075
-	-	-	-	-	-
-	632	-	-	25,611	-
-	-	-	2,051,269	-	-
-	-	-	-	-	-
1,278,046	-	-	-	-	-
-	599,275	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,278,046</u>	<u>619,907</u>	<u>219,699</u>	<u>2,103,585</u>	<u>76,857</u>	<u>289,075</u>
<u>75,787</u>	<u>43,982</u>	<u>4,572</u>	<u>(1,209,306)</u>	<u>(51,078)</u>	<u>(2,345)</u>
-	-	-	821,459	25,623	2,314
-	(102,132)	-	-	(2,314)	-
-	-	-	-	-	-
<u>-</u>	<u>(102,132)</u>	<u>-</u>	<u>821,459</u>	<u>23,309</u>	<u>2,314</u>
75,787	(58,150)	4,572	(387,847)	(27,769)	(31)
406,609	900,036	231,131	860,812	64,045	600
<u>\$ 482,396</u>	<u>\$ 841,886</u>	<u>\$ 235,703</u>	<u>\$ 472,965</u>	<u>\$ 36,276</u>	<u>\$ 569</u>

Yavapai County
Combining Statement of
Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2003
(Continued)

	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Revenues:				
Taxes	\$ 2,882,559	\$ -	\$ -	\$ -
Special assessments	19,367	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	11,419	-	677,214	959,030
Charges for services	-	56,072	93,654	50,417
Fines and forfeits	-	237,024	-	-
Investment income	(7,433)	1,249	2,515	6,083
Miscellaneous	18,606	-	423,138	382,961
Total Revenues	2,924,518	294,345	1,196,521	1,398,491
Expenditures:				
General government	-	33,863	1,253,118	108,562
Public safety	1,949,326	-	-	1,344,506
Highways and streets	60,413	-	-	-
Sanitation	15,195	-	-	-
Health	-	-	-	-
Education	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Aid to other governments	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,024,934	33,863	1,253,118	1,453,068
Excess of Revenues Over (Under) Expenditures	899,584	260,482	(56,597)	(54,577)
Other Financing Sources (Uses):				
Transfer in	651	-	55,269	-
Transfer out	(1,147,466)	(234,955)	(4,246)	-
Sale of capital assets	-	-	27,592	-
Total Other Financing Sources (Uses)	(1,146,815)	(234,955)	78,615	-
Net changes in fund balances	(247,231)	25,527	22,018	(54,577)
Fund Balance, July 1, 2002	1,765,123	301,853	607,595	662,395
Fund Balance, June 30, 2003	\$ 1,517,892	\$ 327,380	\$ 629,613	\$ 607,818

<u>Probation</u>	<u>Courts</u>	<u>Public Defender</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
3,875,284	505,706	178,276
523,947	222,797	8,429
-	80,620	70
(5,835)	(1,154)	857
5,324	41,187	-
<u>4,398,720</u>	<u>849,156</u>	<u>187,632</u>
-	1,004,728	197,910
4,553,310	37,669	36,784
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>4,553,310</u>	<u>1,042,397</u>	<u>234,694</u>
<u>(154,590)</u>	<u>(193,241)</u>	<u>(47,062)</u>
-	325,189	48,474
-	-	-
-	-	-
<u>-</u>	<u>325,189</u>	<u>48,474</u>
(154,590)	131,948	1,412
<u>334,059</u>	<u>591,200</u>	<u>24,820</u>
<u>\$ 179,469</u>	<u>\$ 723,148</u>	<u>\$ 26,232</u>

Yavapai County
Combining Statement of
Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Year Ended June 30, 2003
(Continued)

	Capital Projects	
	Juvenile Jail Improvement	Airport Development
Revenues:		
Taxes	\$ -	\$ -
Special assessments	-	-
Licenses and permits	-	-
Intergovernmental	-	342,063
Charges for services	-	-
Fines and forfeits	-	-
Investment income	(265)	29
Miscellaneous	-	19,026
Total Revenues	<u>(265)</u>	<u>361,118</u>
Expenditures:		
General government	-	-
Public safety	-	-
Highways and streets	-	-
Sanitation	-	-
Health	-	-
Education	-	-
Culture and recreation	-	-
Capital expenditures	772,740	-
Aid to other governments	-	361,130
Debt Service:		
Principal retirement	-	-
Interest and fiscal charges	-	-
Total Expenditures	<u>772,740</u>	<u>361,130</u>
Excess of Revenues Over (Under) Expenditures	<u>(773,005)</u>	<u>(12)</u>
Other Financing Sources (Uses):		
Transfer in	-	-
Transfer out	-	-
Sale of capital assets	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net changes in fund balances	(773,005)	(12)
Fund Balance, July 1, 2002	1,111,312	1,885
Fund Balance, June 30, 2003	<u>\$ 338,307</u>	<u>\$ 1,873</u>

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Yavapai County
Combining Statement of
Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2003
(Continued)

	Debt Service			
	Jail District	Coyote Springs	Prescott East	Granite Gardens
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 14,060
Special assessments	-	171,898	68,400	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	56,160	5,507	1	(749)
Miscellaneous	-	-	-	-
Total Revenues	<u>56,160</u>	<u>177,405</u>	<u>68,401</u>	<u>13,311</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	5,559	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Education	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Aid to other governments	-	-	-	-
Debt Service:				
Principal retirement	1,315,000	72,000	26,656	10,000
Interest and fiscal charges	555,140	97,024	14,062	3,862
Total Expenditures	<u>1,870,140</u>	<u>174,583</u>	<u>40,718</u>	<u>13,862</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,813,980)</u>	<u>2,822</u>	<u>27,683</u>	<u>(551)</u>
Other Financing Sources (Uses):				
Transfer in	1,874,291	-	-	-
Transfer out	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,874,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	60,311	2,822	27,683	(551)
Fund Balance, July 1, 2002	<u>(4,455)</u>	<u>35,247</u>	<u>32,610</u>	<u>33,871</u>
Fund Balance, June 30, 2003	<u>\$ 55,856</u>	<u>\$ 38,069</u>	<u>\$ 60,293</u>	<u>\$ 33,320</u>

HELP	Pine Valley	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 5,149,179
-	13,709	273,374
-	-	324,028
-	-	12,144,271
-	-	4,598,221
-	-	317,714
-	(30)	58,919
-	-	1,965,591
-	13,679	24,831,297
-	-	5,373,854
-	-	7,921,595
-	800	93,015
-	-	2,066,464
-	-	7,875,991
-	-	1,278,046
-	-	599,275
-	-	772,740
-	-	361,130
187,500	10,000	1,621,156
85,553	2,903	758,544
273,053	13,703	28,721,810
(273,053)	(24)	(3,890,513)
273,053	-	4,602,850
-	-	(2,009,409)
-	-	27,592
273,053	-	2,621,033
-	(24)	(1,269,480)
-	34,348	10,270,985
\$ -	\$ 34,324	\$ 9,001,505

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Construction
Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Capital Expenditures:				
Board of supervisors	16,000,000	16,000,000	9,922,875	6,077,125
Total expenditures	16,000,000	16,000,000	9,922,875	6,077,125
Excess (deficiency) of revenues Over (under) expenditures	(16,000,000)	(16,000,000)	(9,922,875)	6,077,125
Other financing sources (uses):				
Transfer in	5,000,000	5,000,000	144,751	(4,855,249)
Transfer out	-	-	(87,174)	(87,174)
Total other financing sources (uses)	5,000,000	5,000,000	57,577	(4,942,423)
Net changes in fund balances	(11,000,000)	(11,000,000)	(9,865,298)	1,134,702
Fund balances, July 1, 2002	11,000,000	11,000,000	10,776,867	(223,133)
Fund balances, June 30, 2003	\$ -	\$ -	\$ 911,569	\$ 911,569

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ (8,406)	\$ (8,406)
Miscellaneous	-	-	36	36
Total revenues	-	-	(8,370)	(8,370)
Capital Expenditures:				
Board of supervisors	7,920,000	6,238,105	1,348,962	4,889,143
Total expenditures	7,920,000	6,238,105	1,348,962	4,889,143
Excess (deficiency) of revenues over (under) expenditures	(7,920,000)	(6,238,105)	(1,357,332)	4,880,773
Other financing sources (uses):				
Transfer in	7,920,000	7,920,000	7,682,600	(237,400)
Total other financing sources (uses)	7,920,000	7,920,000	7,682,600	(237,400)
Net changes in fund balances	-	1,681,895	6,325,268	4,643,373
Fund balances, July 1, 2002	-	(1,681,895)	12,885	1,694,780
Fund balances, June 30, 2003	\$ -	\$ -	\$ 6,338,153	\$ 6,338,153

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Health Care
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 630,000	\$ 630,000	\$ 324,028	\$ (305,972)
Intergovernmental	3,791,376	3,791,376	3,644,422	(146,954)
Charges for services	1,155,050	1,155,050	2,162,279	1,007,229
Investment income	-	-	(83)	(83)
Miscellaneous	-	-	676,351	676,351
Total Revenues	<u>5,576,426</u>	<u>5,576,426</u>	<u>6,806,997</u>	<u>1,230,571</u>
Expenditures:				
Health:				
Health	6,581,571	6,690,329	7,875,991	(1,185,662)
Total health	<u>6,581,571</u>	<u>6,690,329</u>	<u>7,875,991</u>	<u>(1,185,662)</u>
Total Expenditures	<u>6,581,571</u>	<u>6,690,329</u>	<u>7,875,991</u>	<u>(1,185,662)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,005,145)</u>	<u>(1,113,903)</u>	<u>(1,068,994)</u>	<u>44,909</u>
Other Financing Sources (Uses):				
Transfer in	914,408	914,408	986,527	72,119
Transfer out	-	-	(72,119)	(72,119)
Total Other Financing Source (Use)	<u>914,408</u>	<u>914,408</u>	<u>914,408</u>	<u>-</u>
Net changes in fund balances	(90,737)	(199,495)	(154,586)	44,909
Fund Balance, July 1, 2002	<u>90,737</u>	<u>199,495</u>	<u>1,464,671</u>	<u>1,265,176</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,310,085</u>	<u>\$ 1,310,085</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Recorder's Surcharge
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 587,600	\$ 587,600	\$ 435,320	\$ (152,280)
Investment income	-	-	1,941	1,941
Total Revenues	587,600	587,600	437,261	(150,339)
Expenditures:				
General Government:				
Recorder	547,600	547,600	271,830	275,770
Total General Government	547,600	547,600	271,830	275,770
Total Expenditures	547,600	547,600	271,830	275,770
Excess of Revenues Over (Under) Expenditures	40,000	40,000	165,431	125,431
Other Financing Sources (Uses):				
Transfer out	(40,000)	(40,000)	(40,000)	-
Total Other Financing Source (Use)	(40,000)	(40,000)	(40,000)	-
Net changes in fund balances	-	-	125,431	125,431
Fund Balance, July 1, 2002	-	-	568,417	568,417
Fund Balance, June 30, 2003	\$ -	\$ -	\$ 693,848	\$ 693,848

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Assessor's Surcharge
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 315,461	\$ 315,461	\$ 434,620	\$ 119,159
Investment income	-	-	2,214	2,214
Miscellaneous	-	-	40,000	40,000
Total Revenues	<u>315,461</u>	<u>315,461</u>	<u>476,834</u>	<u>161,373</u>
Expenditures:				
General Government:				
Assessor	188,461	375,715	249,019	126,696
Total General Government	<u>188,461</u>	<u>375,715</u>	<u>249,019</u>	<u>126,696</u>
Total Expenditures	<u>188,461</u>	<u>375,715</u>	<u>249,019</u>	<u>126,696</u>
Excess of Revenues Over (Under) Expenditures	<u>127,000</u>	<u>(60,254)</u>	<u>227,815</u>	<u>288,069</u>
Other Financing Sources (Uses):				
Transfer in	-	-	190,000	190,000
Transfer out	(127,000)	(127,000)	(271,177)	(144,177)
Total Other Financing Source (Use)	<u>(127,000)</u>	<u>(127,000)</u>	<u>(81,177)</u>	<u>45,823</u>
Net changes in fund balances	-	(187,254)	146,638	333,892
Fund Balance, July 1, 2002	-	187,254	59,958	(127,296)
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,596</u>	<u>\$ 206,596</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Library
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,620,000	\$ 1,620,000	\$ 1,614,255	\$ (5,745)
Intergovernmental	84,613	84,613	33,000	(51,613)
Investment income	-	-	48	48
Miscellaneous	76,149	76,149	74,929	(1,220)
Total Revenues	<u>1,780,762</u>	<u>1,780,762</u>	<u>1,722,232</u>	<u>(58,530)</u>
Expenditures:				
General Government:				
Library	<u>1,724,009</u>	<u>1,725,847</u>	<u>1,622,488</u>	<u>103,359</u>
Total General Government	<u>1,724,009</u>	<u>1,725,847</u>	<u>1,622,488</u>	<u>103,359</u>
Total Expenditures	<u>1,724,009</u>	<u>1,725,847</u>	<u>1,622,488</u>	<u>103,359</u>
Excess of Revenues Over (Under) Expenditures	<u>56,753</u>	<u>54,915</u>	<u>99,744</u>	<u>44,829</u>
Other Financing Sources (Uses):				
Transfer out	<u>(135,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Total Other Financing Source (Use)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Net changes in fund balances	(78,247)	(80,085)	(35,256)	44,829
Fund Balance, July 1, 2002	<u>78,247</u>	<u>80,085</u>	<u>182,843</u>	<u>102,758</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,587</u>	<u>\$ 147,587</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
School
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 195,750	\$ 195,750	\$ 313,951	\$ 118,201
Intergovernmental	1,128,993	1,128,993	741,784	(387,209)
Charges for services	-	-	180,556	180,556
Investment income	58,900	58,900	596	(58,304)
Miscellaneous	-	-	116,946	116,946
Total Revenues	1,383,643	1,383,643	1,353,833	(29,810)
Expenditures:				
Education:				
School superintendent	1,383,643	1,388,822	1,278,046	110,776
Total Education	1,383,643	1,388,822	1,278,046	110,776
Total Expenditures	1,383,643	1,388,822	1,278,046	110,776
Excess of Revenues Over (Under) Expenditures	-	(5,179)	75,787	80,966
Net changes in fund balances	-	(5,179)	75,787	80,966
Fund Balance, July 1, 2002	-	5,179	406,609	401,430
Fund Balance, June 30, 2003	\$ -	\$ -	\$ 482,396	\$ 482,396

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Parks & Recreation
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 324,354	\$ 324,354
Intergovernmental	449,443	449,443	255,152	(194,291)
Investment income	-	-	3,477	3,477
Miscellaneous	15,343	15,343	80,906	65,563
Total Revenues	<u>464,786</u>	<u>464,786</u>	<u>663,889</u>	<u>199,103</u>
Expenditures:				
General Government:				
Board of supervisors	-	-	20,000	(20,000)
Total General Government	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>
Highways and Streets:				
Public works	-	633	632	1
Total Highways and Streets	<u>-</u>	<u>633</u>	<u>632</u>	<u>1</u>
Culture & Recreation:				
Parks & Recreation	464,786	464,786	599,275	(134,489)
Total Culture & Recreation	<u>464,786</u>	<u>464,786</u>	<u>599,275</u>	<u>(134,489)</u>
Total Expenditures	<u>464,786</u>	<u>465,419</u>	<u>619,907</u>	<u>(154,488)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(633)</u>	<u>43,982</u>	<u>44,615</u>
Other Financing Sources (Uses):				
Transfer Out	-	-	(102,132)	(102,132)
Total Other Financing Source (Use)	<u>-</u>	<u>-</u>	<u>(102,132)</u>	<u>(102,132)</u>
Net changes in fund balances	<u>-</u>	<u>(633)</u>	<u>(58,150)</u>	<u>(57,517)</u>
Fund Balance, July 1, 2002	<u>-</u>	<u>633</u>	<u>900,036</u>	<u>899,403</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841,886</u>	<u>\$ 841,886</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Water Advisory Committee
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 226,000	\$ (24,000)
Investment Income	-	-	(1,746)	(1,746)
Miscellaneous	-	-	17	17
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>224,271</u>	<u>(25,729)</u>
Expenditures:				
General Government:				
Board of Supervisors	250,000	250,000	219,699	30,301
Total General Government	<u>250,000</u>	<u>250,000</u>	<u>219,699</u>	<u>30,301</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>219,699</u>	<u>30,301</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>4,572</u>	<u>4,572</u>
Net changes in fund balances	-	-	4,572	4,572
Fund Balance, July 1, 2002	-	-	231,131	231,131
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,703</u>	<u>\$ 235,703</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Landfill / Environment
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 382,593	\$ 107,593
Charges For Services	360,000	360,000	430,130	70,130
Investment Income	-	-	(4,619)	(4,619)
Miscellaneous	-	-	86,175	86,175
Total Revenues	<u>635,000</u>	<u>635,000</u>	<u>894,279</u>	<u>259,279</u>
Expenditures:				
General Government:				
Emergency Management	-	-	52,316	(52,316)
Total General Government	<u>-</u>	<u>-</u>	<u>52,316</u>	<u>(52,316)</u>
Sanitation:				
Landfill	1,688,459	2,183,126	2,051,269	131,857
Total Sanitation	<u>1,688,459</u>	<u>2,183,126</u>	<u>2,051,269</u>	<u>131,857</u>
Total Expenditures	<u>1,688,459</u>	<u>2,183,126</u>	<u>2,103,585</u>	<u>79,541</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,053,459)</u>	<u>(1,548,126)</u>	<u>(1,209,306)</u>	<u>338,820</u>
Other Financing Sources (Uses):				
Transfer In	821,459	821,459	821,459	-
Total Other Financing Source (Use)	<u>821,459</u>	<u>821,459</u>	<u>821,459</u>	<u>-</u>
Net changes in fund balances	(232,000)	(726,667)	(387,847)	338,820
Fund Balance, July 1, 2002	<u>232,000</u>	<u>726,667</u>	<u>860,812</u>	<u>134,145</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,965</u>	<u>\$ 472,965</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Works
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 25,623	\$ 25,623
Investment income	-	-	156	156
Total Revenues	-	-	25,779	25,779
Expenditures:				
General Government:				
Board of supervisors	-	51,246	51,246	-
Total General Government	-	51,246	51,246	-
Highways and Streets:				
Public works	-	-	25,611	(25,611)
Total Highways and Streets	-	-	25,611	(25,611)
Total Expenditures	-	51,246	76,857	(25,611)
Excess of Revenues Over (Under) Expenditures	-	(51,246)	(51,078)	168
Other Financing Sources (Uses):				
Transfer in	-	-	25,623	25,623
Transfer out	-	-	(2,314)	(2,314)
Total Other Financing Source (Use)	-	-	23,309	23,309
Net changes in fund balances	-	(51,246)	(27,769)	23,477
Fund Balance, July 1, 2002	-	51,246	64,045	12,799
Fund Balance, June 30, 2003	\$ -	\$ -	\$ 36,276	\$ 36,276

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
CDBG
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 850,000	\$ 850,000	\$ 286,705	\$ (563,295)
Miscellaneous	-	-	25	25
Total Revenues	850,000	850,000	286,730	(563,270)
Expenditures:				
General Government:				
Board of supervisors	850,000	850,000	289,075	560,925
Total General Government	850,000	850,000	289,075	560,925
Total Expenditures	850,000	850,000	289,075	560,925
Excess of Revenues Over (Under) Expenditures	-	-	(2,345)	(2,345)
Other Financing Sources (Uses):				
Transfer in	-	-	2,314	2,314
Total Other Financing Source (Use)	-	-	2,314	2,314
Net changes in fund balances	-	-	(31)	(31)
Fund Balance, July 1, 2002	-	-	600	600
Fund Balance, June 30, 2003	\$ -	\$ -	\$ 569	\$ 569

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Improvement Districts
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 2,901,977	\$ 2,901,977	\$ 2,882,559	\$ (19,418)
Special assessments	11,370	11,370	19,367	7,997
Intergovernmental	25,000	25,000	11,419	(13,581)
Investment income	27,000	27,000	(7,433)	(34,433)
Miscellaneous	-	-	18,606	18,606
Total Revenues	<u>2,965,347</u>	<u>2,965,347</u>	<u>2,924,518</u>	<u>(40,829)</u>
Expenditures:				
Public Safety:				
Flood control	3,467,728	3,467,728	1,949,326	1,518,402
Total Public Safety	<u>3,467,728</u>	<u>3,467,728</u>	<u>1,949,326</u>	<u>1,518,402</u>
Highways and Streets:				
Board of supervisors	342,177	342,177	60,413	281,764
Total Highways and Streets	<u>342,177</u>	<u>342,177</u>	<u>60,413</u>	<u>281,764</u>
Sanitation:				
Special districts	46,508	46,508	15,195	31,313
Total Sanitation	<u>46,508</u>	<u>46,508</u>	<u>15,195</u>	<u>31,313</u>
Total Expenditures	<u>3,856,413</u>	<u>3,856,413</u>	<u>2,024,934</u>	<u>1,831,479</u>
Excess of Revenues Over (Under) Expenditures	<u>(891,066)</u>	<u>(891,066)</u>	<u>899,584</u>	<u>1,790,650</u>
Other Financing Sources (Uses):				
Transfer in	40,718	40,718	651	(40,067)
Transfer out	(602,814)	(602,814)	(1,147,466)	(544,652)
Total Other Financing Source (Use)	<u>(562,096)</u>	<u>(562,096)</u>	<u>(1,146,815)</u>	<u>(584,719)</u>
Net changes in fund balances	(1,453,162)	(1,453,162)	(247,231)	1,205,931
Fund Balance, July 1, 2002	<u>1,453,162</u>	<u>1,453,162</u>	<u>1,765,123</u>	<u>311,961</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,517,892</u>	<u>\$ 1,517,892</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Clerk of Superior Court
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 428,789	\$ 428,789	\$ -	\$ (428,789)
Charges for services	109,016	109,016	56,072	(52,944)
Fines and forfeits	-	-	237,024	237,024
Investment income	-	-	1,249	1,249
Total Revenues	<u>537,805</u>	<u>537,805</u>	<u>294,345</u>	<u>(243,460)</u>
Expenditures:				
General Government:				
Board of supervisors	428,789	428,789	1,157	427,632
Clerk of the court	109,016	109,016	32,706	76,310
Total General Government	<u>537,805</u>	<u>537,805</u>	<u>33,863</u>	<u>503,942</u>
Total Expenditures	<u>537,805</u>	<u>537,805</u>	<u>33,863</u>	<u>503,942</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>260,482</u>	<u>260,482</u>
Other Financing Sources (Uses):				
Transfer out	-	-	(234,955)	(234,955)
Total Other Financing Source (Use)	<u>-</u>	<u>-</u>	<u>(234,955)</u>	<u>(234,955)</u>
Net changes in fund balances	-	-	25,527	25,527
Fund Balance, July 1, 2002	-	-	301,853	301,853
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,380</u>	<u>\$ 327,380</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
County Attorney
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 344,318	\$ 344,318	\$ 677,214	\$ 332,896
Charges for services	219,687	219,687	93,654	(126,033)
Investment income	-	-	2,515	2,515
Miscellaneous	-	-	423,138	423,138
Total Revenues	<u>564,005</u>	<u>564,005</u>	<u>1,196,521</u>	<u>632,516</u>
Expenditures:				
General Government:				
Attorney	<u>564,005</u>	<u>977,007</u>	<u>1,253,118</u>	<u>(276,111)</u>
Total General Government	<u>564,005</u>	<u>977,007</u>	<u>1,253,118</u>	<u>(276,111)</u>
Total Expenditures	<u>564,005</u>	<u>977,007</u>	<u>1,253,118</u>	<u>(276,111)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(413,002)</u>	<u>(56,597)</u>	<u>356,405</u>
Other Financing Sources (Uses):				
Transfer in	-	-	55,269	55,269
Transfer out	-	-	(4,246)	(4,246)
Sale of General Fixed Assets	<u>-</u>	<u>-</u>	<u>27,592</u>	<u>27,592</u>
Total Other Financing Source (Use)	<u>-</u>	<u>-</u>	<u>78,615</u>	<u>78,615</u>
Net changes in fund balances	-	(413,002)	22,018	435,020
Fund Balance, July 1, 2002	<u>-</u>	<u>413,002</u>	<u>607,595</u>	<u>194,593</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,613</u>	<u>\$ 629,613</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Law Enforcement
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 557,934	\$ 557,934	\$ 959,030	\$ 401,096
Charges for services	62,597	62,597	50,417	(12,180)
Investment income	-	-	6,083	6,083
Miscellaneous	179,179	179,179	382,961	203,782
Total Revenues	<u>799,710</u>	<u>799,710</u>	<u>1,398,491</u>	<u>598,781</u>
Expenditures:				
General Government:				
Emergency management	-	-	108,562	(108,562)
Total General Government	<u>-</u>	<u>-</u>	<u>108,562</u>	<u>(108,562)</u>
Public Safety:				
Sheriff	799,710	1,039,779	1,344,506	(304,727)
Total Public Safety	<u>799,710</u>	<u>1,039,779</u>	<u>1,344,506</u>	<u>(304,727)</u>
Total Expenditures	<u>799,710</u>	<u>1,039,779</u>	<u>1,453,068</u>	<u>(413,289)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(240,069)</u>	<u>(54,577)</u>	<u>185,492</u>
Net changes in fund balances	-	(240,069)	(54,577)	185,492
Fund Balance, July 1, 2002	<u>-</u>	<u>240,069</u>	<u>662,395</u>	<u>422,326</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,818</u>	<u>\$ 607,818</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Probation
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,896,534	\$ 3,896,534	\$ 3,875,284	\$ (21,250)
Charges for services	833,937	833,937	523,947	(309,990)
Investment income	-	-	(5,835)	(5,835)
Miscellaneous	-	-	5,324	5,324
Total Revenues	<u>4,730,471</u>	<u>4,730,471</u>	<u>4,398,720</u>	<u>(331,751)</u>
Expenditures:				
Public Safety:				
Sheriff	-	-	-	-
Adult probation	2,875,145	2,887,498	2,680,461	207,037
Juvenile probation	1,855,326	1,855,326	1,872,849	(17,523)
Total Public Safety	<u>4,730,471</u>	<u>4,742,824</u>	<u>4,553,310</u>	<u>189,514</u>
Total Expenditures	<u>4,730,471</u>	<u>4,742,824</u>	<u>4,553,310</u>	<u>189,514</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(12,353)</u>	<u>(154,590)</u>	<u>(142,237)</u>
Net changes in fund balances	-	(12,353)	(154,590)	(142,237)
Fund Balance, July 1, 2002	-	12,353	334,059	321,706
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,469</u>	<u>\$ 179,469</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Courts
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,125,189	\$ 1,125,189	\$ 505,706	\$ (619,483)
Charges for services	223,060	223,060	222,797	(263)
Fines and forfeits	-	-	80,620	80,620
Investment income	-	-	(1,154)	(1,154)
Miscellaneous	-	-	41,187	41,187
Total Revenues	<u>1,348,249</u>	<u>1,348,249</u>	<u>849,156</u>	<u>(499,093)</u>
Expenditures:				
General Government:				
Superior courts	1,495,221	1,505,618	959,702	545,916
Prescott justice of the peace	-	-	8,075	(8,075)
Bagdad/Yarnell justice of the peace	-	-	12,064	(12,064)
Verde Valley justice of the peace	-	-	22,967	(22,967)
Mayer justice of the peace	-	-	1,320	(1,320)
Seligman justice of the peace	-	-	600	(600)
Total General Government	<u>1,495,221</u>	<u>1,505,618</u>	<u>1,004,728</u>	<u>500,890</u>
Public Safety:				
Adult probation	<u>42,760</u>	<u>42,760</u>	<u>37,669</u>	<u>5,091</u>
Total Public Safety	<u>42,760</u>	<u>42,760</u>	<u>37,669</u>	<u>5,091</u>
Total Expenditures	<u>1,537,981</u>	<u>1,548,378</u>	<u>1,042,397</u>	<u>505,981</u>
Excess of Revenues Over (Under) Expenditures				
	<u>(189,732)</u>	<u>(200,129)</u>	<u>(193,241)</u>	<u>6,888</u>
Other Financing Sources (Uses):				
Transfer in	<u>189,732</u>	<u>189,732</u>	<u>325,189</u>	<u>135,457</u>
Total Other Financing Source (Use)	<u>189,732</u>	<u>189,732</u>	<u>325,189</u>	<u>135,457</u>
Net changes in fund balances	-	(10,397)	131,948	142,345
Fund Balance, July 1, 2002	-	10,397	591,200	580,803
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723,148</u>	<u>\$ 723,148</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Defender
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 156,500	\$ 156,500	\$ 178,276	\$ 21,776
Charges for services	-	-	8,429	8,429
Fines and forfeits	-	-	70	70
Investment income	-	-	857	857
Total Revenues	<u>156,500</u>	<u>156,500</u>	<u>187,632</u>	<u>31,132</u>
Expenditures:				
General Government:				
Public defender	<u>96,500</u>	<u>117,046</u>	<u>197,910</u>	<u>(80,864)</u>
Total General Government	<u>96,500</u>	<u>117,046</u>	<u>197,910</u>	<u>(80,864)</u>
Public Safety:				
Adult probation	<u>60,000</u>	<u>60,000</u>	<u>36,784</u>	<u>23,216</u>
Total Public Safety	<u>60,000</u>	<u>60,000</u>	<u>36,784</u>	<u>23,216</u>
Total Expenditures	<u>156,500</u>	<u>177,046</u>	<u>234,694</u>	<u>(57,648)</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(20,546)</u>	<u>(47,062)</u>	<u>(26,516)</u>
Other Financing Sources (Uses):				
Transfer in	<u>-</u>	<u>-</u>	<u>48,474</u>	<u>48,474</u>
Total Other Financing Source (Use)	<u>-</u>	<u>-</u>	<u>48,474</u>	<u>48,474</u>
Net changes in fund balances	-	(20,546)	1,412	21,958
Fund Balance, July 1, 2002	<u>-</u>	<u>20,546</u>	<u>24,820</u>	<u>4,274</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,232</u>	<u>\$ 26,232</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Jail District
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 56,160	\$ 56,160
Total Revenues	<u>-</u>	<u>-</u>	<u>56,160</u>	<u>56,160</u>
Expenditures:				
Debt Service:				
Principal retirement	1,315,000	1,315,000	1,315,000	-
Interest and fiscal charges	<u>555,000</u>	<u>555,000</u>	<u>555,140</u>	<u>(140)</u>
Total Expenditures	<u>1,870,000</u>	<u>1,870,000</u>	<u>1,870,140</u>	<u>(140)</u>
Excess of Revenues Over (Under) Expenditures	(1,870,000)	(1,870,000)	(1,813,980)	56,020
Other Financing Sources (Uses):				
Transfer in	<u>1,870,000</u>	<u>1,870,000</u>	<u>1,874,291</u>	<u>4,291</u>
Total Other Financing Source (Use)	<u>1,870,000</u>	<u>1,870,000</u>	<u>1,874,291</u>	<u>4,291</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>60,311</u>	<u>60,311</u>
Fund Balance, July 1, 2002	<u>-</u>	<u>-</u>	<u>(4,455)</u>	<u>(4,455)</u>
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,856</u>	<u>\$ 55,856</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Coyote Springs
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 169,024	\$ 169,024	\$ 171,898	\$ 2,874
Investment income	-	-	5,507	5,507
Total Revenues	169,024	169,024	177,405	8,381
Expenditures:				
Highways and Streets	-	-	5,559	(5,559)
Debt Service:				
Principal retirement	72,000	72,000	72,000	-
Interest and fiscal charges	97,024	97,024	97,024	-
Total Expenditures	169,024	169,024	174,583	(5,559)
Net changes in fund balances	-	-	2,822	2,822
Fund Balance, July 1, 2002	-	-	35,247	35,247
Fund Balance, June 30, 2003	\$ -	\$ -	\$ 38,069	\$ 38,069

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Prescott East
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 40,718	\$ 40,718	\$ 68,400	\$ 27,682
Investment income	-	-	1	1
Total Revenues	40,718	40,718	68,401	27,683
Expenditures:				
Debt Service:				
Principal retirement	26,656	26,656	26,656	-
Interest and fiscal charges	14,062	14,062	14,062	-
Total Expenditures	40,718	40,718	40,718	-
Net changes in fund balances	-	-	27,683	27,683
Fund Balance, July 1, 2002	-	-	32,610	32,610
Fund Balance, June 30, 2003	\$ -	\$ -	\$ 60,293	\$ 60,293

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Granite Gardens
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 13,862	\$ 13,862	\$ 14,060	\$ 198
Investment income	-	-	(749)	(749)
Total Revenues	<u>13,862</u>	<u>13,862</u>	<u>13,311</u>	<u>(551)</u>
Expenditures:				
Debt Service:				
Principal retirement	10,000	10,000	10,000	-
Interest and fiscal charges	3,862	3,862	3,862	-
Total Expenditures	<u>13,862</u>	<u>13,862</u>	<u>13,862</u>	<u>-</u>
Net changes in fund balances	-	-	(551)	(551)
Fund Balance, July 1, 2002	-	-	33,871	33,871
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,320</u>	<u>\$ 33,320</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Pine Valley
Year End June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 12,903	\$ 12,903	\$ 13,709	\$ 806
Investment income	-	-	(30)	(30)
Total Revenues	<u>12,903</u>	<u>12,903</u>	<u>13,679</u>	<u>776</u>
Expenditures:				
Highways and Streets	-	-	800	(800)
Debt Service:				
Principal retirement	10,000	10,000	10,000	-
Interest and fiscal charges	2,903	2,903	2,903	-
Total Expenditures	<u>12,903</u>	<u>12,903</u>	<u>13,703</u>	<u>(800)</u>
Net changes in fund balances	-	-	(24)	(24)
Fund Balance, July 1, 2002	-	-	34,348	34,348
Fund Balance, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,324</u>	<u>\$ 34,324</u>

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CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules By Source
 As of June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Government funds capital assets:		
Land	\$ 9,516,725	\$ 6,982,450
Buildings	35,827,129	33,375,357
Machinery and equipment	24,637,484	21,417,684
Infrastructure	10,535,989	7,009,161
Construction in progress	<u>34,262,961</u>	<u>17,246,886</u>
 Total governmental funds capital assets	 <u>\$ 114,780,288</u>	 <u>\$ 86,031,538</u>
 Investments in governmental funds capital assets by source:		
General fund	\$ 53,932,509	\$ 50,341,298
Special revenue funds	43,894,134	27,286,785
Capital projects funds	<u>16,953,645</u>	<u>8,403,455</u>
 Total governmental funds capital assets	 <u>\$ 114,780,288</u>	 <u>\$ 86,031,538</u>

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 As of June 30, 2003

Function	Land	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$6,057,942	\$22,860,321	\$ 9,458,871	\$ -	\$16,953,645	\$ 55,330,779
Public safety	573,087	6,565,504	3,053,659	-	-	10,192,250
Highways and streets	2,481,254	1,792,014	10,727,428	10,535,989	17,309,316	42,846,001
Health	-	2,310,261	308,986	-	-	2,619,247
Welfare	-	-	24,898	-	-	24,898
Sanitation	203,164	2,299,029	902,874	-	-	3,405,067
Culture and recreation	201,278	-	7,439	-	-	208,717
Education	-	-	153,329	-	-	153,329
Total governmental funds capital assets	<u>\$9,516,725</u>	<u>\$35,827,129</u>	<u>\$24,637,484</u>	<u>\$10,535,989</u>	<u>\$34,262,961</u>	<u>\$114,780,288</u>

Yavapai County
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2003

Function	Governmental Funds Capital Assets July 1, 2002	Increases	Decreases	Governmental Funds Capital Assets June 30, 2003
General government:	\$ 45,053,938	\$ 14,352,509	\$ 4,075,668	\$ 55,330,779
Public safety:	10,213,497	381,850	403,097	10,192,250
Highways and streets	27,146,338	17,122,004	1,422,341	42,846,001
Health	285,784	2,333,463	-	2,619,247
Welfare	24,898	-	-	24,898
Sanitation	2,952,993	496,174	44,100	3,405,067
Culture and recreation	201,278	7,439	-	208,717
Education	152,812	17,810	17,293	153,329
Total governmental funds capital assets	<u>\$ 86,031,538</u>	<u>\$ 34,711,249</u>	<u>\$ 5,962,499</u>	<u>\$ 114,780,288</u>

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STATISTICAL SECTION

Yavapai County
General Government Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Health	Welfare (2)	Education	Culture and Recreation	Capital	Debt Service	Total
1994	\$17,289,208	\$10,288,411	\$ 8,964,549	\$ 1,742,335	\$ 2,386,468	\$14,734,549	\$ 837,531	\$ -	\$ 1,802,580	\$470,920	\$ 58,516,551
1995	19,147,791	11,979,611	9,472,270	1,662,193	2,727,965	18,327,954	913,943	96,672	1,942,152	388,591	66,659,142
1996	21,533,973	12,831,802	13,168,697	1,921,389	2,730,444	19,455,715	862,963	99,441	8,858,234	394,058	81,856,716
1997	22,624,732	14,822,379	14,232,814	2,687,678	3,031,384	20,916,414	905,312	97,518	5,964,359	382,961	85,665,551
1998	23,215,641	17,074,810	14,078,472	4,447,085	4,167,271	23,134,222	900,815	30,865	5,147,498	40,364	92,237,043
1999	28,001,920	19,363,526	18,813,683	2,168,874	5,065,742	24,365,900	986,090	69,506	2,535,988	44,281	101,415,510
2000	30,096,416	20,774,122	15,918,379	2,306,549	5,457,544	27,177,914	1,174,055	189,640	4,067,435	44,366	107,206,420
2001	33,059,247	23,172,460	24,018,331	2,243,074	6,028,077	30,792,000	1,404,241	495,677	10,524,290	34,764	131,772,161
2002	36,034,824	24,498,056	21,928,139	1,645,147	6,965,668	34,543,318	1,511,673	493,513	7,560,513	640,638	135,821,489
2003	39,111,791	26,503,683	25,704,354	2,066,464	7,875,991	36,546,180	1,741,436	599,275	12,044,577	2,379,700	154,573,451

(1) Includes General, Special Revenue, Debt Service, Capital Project and Enterprise Funds.

(2) Enterprise Fund inception FY 1993/1994.

(3) General government amount for fiscal year 2002 and 2003 includes aid to other governments.

Yavapai County
General Government Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Intergovernmental Revenue	Charges for Services	Fines and Forfeits	Investment Income	Miscellaneous/Contributions	Total
1994	\$ 21,620,506	\$ 2,326,245	\$ 31,219,232	\$ 2,187,383	\$ 1,056,936	\$ 482,492	\$ 2,193,663	\$ 61,086,457
1995	24,239,004	2,272,214	38,721,904	1,814,984	1,288,243	1,014,053	2,715,690	72,066,092
1996	27,187,800	2,398,840	44,189,879	2,587,924	1,405,702	1,423,703	3,585,416	82,779,264
1997	28,037,560	2,374,766	47,172,192	2,315,358	1,417,656	1,303,339	3,857,571	86,478,442
1998	32,637,294	2,893,784	47,182,740	4,455,427	3,165,288	1,604,118	1,832,093	93,770,744
1999	31,203,695	2,705,714	57,376,889	4,655,375	1,494,097	1,448,635	3,013,734	101,898,139
2000	33,770,631	2,930,789	62,280,143	5,229,472	1,773,761	1,591,186	2,273,212	109,849,194
2001	39,506,946	3,103,494	70,109,766	4,928,766	2,120,826	1,756,935	2,561,008	124,087,741
2002	41,694,553	3,140,455	75,823,324	5,578,511	2,208,732	1,046,454	3,394,544	132,886,573
2003	44,641,537	4,117,310	80,376,389	6,406,303	2,082,004	48,864	3,346,771	141,019,178

(1) Includes General, Special Revenue, Debt Service, Capital Project and Enterprise Funds.

Yavapai County
Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Years

Fiscal Year	Real Property (2)		Personal Property (2)		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (\$)	Estimated Actual Value (\$)	Assessed Value (\$)	Estimated Actual Value (\$)	Assessed Value (\$)	Estimated Actual Value (\$)	
1994							
Primary	\$ 648,470,812	\$ 4,962,372,773	\$ 161,639,084	\$ 646,550,335	\$ 810,109,896	\$ 5,608,923,108	14.44%
Secondary	670,371,707	5,116,418,707	166,217,071	664,862,361	836,588,778	5,781,281,068	14.47%
1995							
Primary	707,339,321	5,536,956,780	158,426,661	675,260,380	865,765,982	6,212,217,160	13.94%
Secondary	747,626,771	5,838,399,078	166,927,361	709,268,654	914,554,132	6,547,667,732	13.97%
1996							
Primary	743,241,536	5,906,775,766	172,968,577	757,704,556	916,210,113	6,664,480,322	13.75%
Secondary	763,352,452	6,044,728,839	177,012,935	773,951,186	940,365,387	6,818,680,025	13.79%
1997							
Primary	818,648,806	6,593,090,518	196,466,771	785,862,336	1,015,115,577	7,378,952,854	13.76%
Secondary	858,001,585	6,880,833,714	206,527,971	826,107,267	1,064,529,556	7,706,940,981	13.81%
1998							
Primary	989,196,986	7,629,444,545	34,575,220	225,945,044	1,023,772,206	7,855,389,589	13.03%
Secondary	1,013,774,754	7,802,689,465	34,575,812	225,945,044	1,048,350,566	8,028,634,509	13.06%
1999							
Primary	1,059,358,444	8,296,621,775	37,772,625	255,778,262	1,097,131,069	8,552,400,037	12.83%
Secondary	1,149,003,339	9,024,978,457	37,771,686	255,778,262	1,186,775,025	9,280,756,719	12.79%
2000							
Primary	1,137,195,123	9,003,069,326	44,105,956	309,039,868	1,181,301,079	9,312,109,194	12.69%
Secondary	1,203,529,661	9,540,656,982	44,106,251	309,039,868	1,247,635,912	9,849,696,850	12.67%
2001							
Primary	1,237,213,069	9,847,596,289	43,737,336	282,453,191	1,280,950,405	10,130,049,480	12.65%
Secondary	1,300,875,126	10,341,372,719	43,741,696	282,453,191	1,344,616,822	10,623,825,910	12.66%
2002							
Primary	1,344,463,630	10,773,725,814	43,628,890	258,829,253	1,388,092,520	11,032,555,067	12.58%
Secondary	1,406,443,744	11,250,833,325	44,053,836	263,057,420	1,450,497,580	11,513,890,745	12.60%
2003							
Primary	1,471,014,420	11,797,772,883	45,792,997	273,981,588	1,516,807,417	12,071,754,471	12.56%
Secondary	1,556,684,202	12,394,583,401	45,795,927	273,981,588	1,602,480,129	12,668,564,989	12.65%

(1) Fiscal years 1994 through 1997 reflect assessed values without any reduction in value for exemptions. Fiscal years 1998 through 2003 reflect net assessed values.

(2) Real property includes locally assessed real and centrally assessed real and certain secured personal property through 1997. Personal property through 1997 includes both secured and unsecured property. For fiscal years 1998 through 2003 all secured personal property is reflected in real property.

Source: Abstract by tax authority and legal class, Arizona Department of Revenue.

Yavapai County
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year	General Tax Levy (\$)	Current Tax Collections (\$)	Percent of Levy Collected	Delinquent Tax Collections (\$)	Total Tax Collections (\$)	Percent of Total Tax Collected to Tax Levy	Outstanding Delinquent Taxes (\$)	Percent of Delinquent Taxes to Tax Levy
1994	\$ 14,701,211	\$ 13,597,870	92.49%	\$ 468,692	\$ 14,066,562	95.68%	\$ 936,436	6.37%
1995	15,150,000	14,140,077	93.33%	366,950	14,507,027	95.76%	846,268	5.59%
1996	16,100,000	15,185,278	94.32%	366,925	15,552,203	96.60%	1,003,844	6.24%
1997	16,650,000	15,620,420	93.82%	456,717	16,077,137	96.56%	1,069,752	6.42%
1998	17,370,000	16,410,585	94.48%	500,311	16,910,896	97.36%	1,005,498	5.79%
1999	17,883,500	16,783,531	93.85%	401,523	17,185,054	96.09%	1,088,132	6.08%
2000	18,824,000	17,720,659	94.14%	436,581	18,157,240	96.46%	1,091,182	5.80%
2001	19,090,000	17,955,221	94.06%	357,829	18,313,050	95.93%	1,122,224	5.88%
2002	20,602,000	19,422,071	94.27%	406,753	19,828,824	96.25%	1,006,729	4.89%
2003	22,310,000	21,116,484	94.65%	434,373	21,550,857	96.60%	1,014,182	4.55%

(1) General Fund Levies and Collections Only.

Yavapai County
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Years

Fiscal Year		County	State	School Equalization	School Districts	Cities	Other Special Districts	Community College District
1994	Primary	2.0420	0.4700	0.5300	0.5538-7.6900	.5504 - 2.0318	--	1.4986
	Secondary	0.4607	--	--	0.2324-3.4430	.1494 - .8091	.5365-6.1847	0.1459
1995	Primary	1.9513	0.4700	0.5300	0.1480-7.6483	.5386 - 1.9406	--	1.4730
	Secondary	0.3992	--	--	0.2128-2.8403	.1417 - .5749	.7809-6.4425	0.1347
1996	Primary	1.9413	0.4700	0.5300	2.5252-7.7420	.5107 - 1.7683	--	1.5448
	Secondary	0.4784	--	--	0.2244-2.5378	.1648 - .5184	.6180-7.9919	0.1223
1997	Primary	1.9808	--	0.5300	2.2973-6.8876	0.4614 - 1.7382	--	1.5237
	Secondary	0.4278	--	--	0.2114-2.4839	0.1666 - 0.3692	0.5424-7.5351	0.1223
1998	Primary	1.8063	--	0.5300	2.1269-8.7736	0.4152 - 1.5951	--	1.4589
	Secondary	0.4097	--	--	0.1857-2.1236	0.1285 - 0.3133	0.5816-9.5182	0.1055
1999	Primary	1.7468	--	0.5300	1.8412-8.2203	0.3822 - 1.4973	--	1.4631
	Secondary	0.4354	--	--	0.2062-2.1147	0.1447 - 0.2784	0.5859-8.4556	0.1058
2000	Primary	1.7157	--	0.5217	2.3038-7.3817	0.3169 - 1.5382	--	1.5294
	Secondary	0.4452	--	--	0.1853-2.1853	0.1273 - 0.5067	0.4456-5.0680	0.0956
2001	Primary	1.6160	--	0.5123	1.2996-7.6734	0.2906 - 1.6280	--	1.5330
	Secondary	0.4354	--	--	0.5595-2.1201	0.1475 - 0.5592	0.4752-4.0624	0.0875
2002	Primary	1.6083	--	0.4974	0.9900-7.8089	0.2627 - 1.5235	--	1.5325
	Secondary	0.4286	--	--	0.0500-2.0652	0.1482 - 0.5121	0.4721-3.8269	0.4163
2003	Primary	1.6072	--	0.4889	1.8248-7.3939	0.2522 - 1.3382	--	1.5835
	Secondary	0.4297	--	--	0.3084-2.0799	0.4707 - 0.4707	0.0438-5.6002	0.3954

Source: Yavapai County Board of Supervisors Adopted Budget Reports.

Yavapai County
Special Assessment Billings and Collections
Last Ten Years

<u>Fiscal Year</u>	<u>Current Assessments Billings (\$)</u>	<u>Assessments Collected (\$)</u>
1994	\$855,974.86	\$ 857,338.48 *
1995	309,781.38	313,028.73 *
1996	277,515.48	282,241.20 *
1997	474,836.21	476,299.38 *
1998	133,601.34	137,520.26 *
1999	100,081.89	110,384.61 *
2000	123,108.52	123,332.79 *
2001	94,806.59	101,302.35 *
2002	54,280.00	114,146.00 *
2003	209,753.10	269,572.83 *

* Assessment collections exceeded total billings due to early pay off and proceeds from land auctions for delinquent assessments.

Yavapai County
Computation of Legal Debt Margin
June 30, 2003

Assessed value of real and personal property	\$ 1,516,807,417
Debt limit, 6 percent of assessed value (constitutional limit)	91,008,445
Debt subject to debt limitation	0
Available debt limit	<u>\$ 91,008,445</u>

Yavapai County
Computation of Direct and Overlapping Debt
June 30, 2003

Direct debt:		
Yavapai County general obligation debt	\$	0
Overlapping debt:		
School Districts		65,930,000
Community College		48,740,000
Jail District - Part of Reporting Entity		13,945,000
Special Districts - Part of Reporting Entity		10,650,594
Special Districts - Not Part of Reporting Entity		313,000
Total direct general obligation and overlapping debt	<u>\$</u>	<u>139,578,594</u>

Yavapai County
Principal Taxpayers
Fiscal Year 2002/2003

Taxpayer	Primary Assessed Value	Percentage of Primary Assessed Value to Total Primary Assessed Value	Tax Collected
1 Arizona Public Service	\$55,172,666	3.64%	\$5,408,852
2 Qwest Corporation	22,631,795	1.49%	2,206,348
3 Phelps Dodge Bagdad	16,146,767	1.06%	1,979,858
4 Citizen's Utility Company-Northern Gas Division	16,221,352	1.07%	1,491,176
5 El Paso Natural Gas Company	9,383,995	0.62%	1,108,906
6 Salt River Pima - Maricopa Indian Community	12,109,537	0.80%	986,314
7 Burlington Northern Santa Fe Railway Company	8,853,353	0.58%	927,904
8 Transwestern Pipeline Company	7,715,449	0.51%	915,888
9 Cyprus Bagdad Copper Company	4,584,531	0.30%	565,856
10 New Enchantment LP	5,506,754	0.36%	526,886
Totals	<u>\$158,326,199</u>	<u>10.43%</u>	<u>\$16,117,988</u>

Source: Assessor and Treasurer of Yavapai County.

Yavapai County
Salaries of Elected County Officials
June 30, 2003

<u>Title of Official</u>	<u>Annual Salary</u>
Board of Supervisors	\$49,875
Assessor	49,875
County Attorney	96,600
Recorder	49,875
School Superintendent	49,875
Clerk of the Superior Court	56,500
Sheriff	78,750
Treasurer	49,875
Superior Court Judges*	60,375
Justices of the Peace	
Prescott	84,525
Verde Valley	84,525
Bagdad / Yarnell	78,488
Mayer	78,488
Seligman	78,488
Constables	
Prescott	48,294
Verde Valley	48,294

*Yavapai County's portion only (50%).

**Yavapai County
Schedule of Insurance in Force
July 1, 2002 – June 30, 2003**

Type of Policy and Type of Coverage	Details of Coverage	Agency	Expiration Date	Annual Premium
Liability, including Auto, and Police Professional	\$10,000,000 Limit 50,000 Deductible per occurrence	Arizona Counties Insurance Pool	7/1/2003	\$578,478
Property	100,000,000 Limit 25,000 Deductible per Occurrence	Arizona Counties Insurance Pool	7/1/2003	Included in (1)
Airport Liability	2,000,000 Premises Liability 2,000,000 Products/Completed Ops 2,000,000 Personal Injury Agg. 250,000 Hangarkeepers	ACE USA	2/5/2003	\$6,050
Aircraft	2,000,000 Per occurrence including passengers 3,000 Medical Expense 55,000 Insured Value – 1967 Cessna 100 Deductible Not in Motion 500 Deductible In Motion	ACE USA	2/5/2003	\$6,250
Medical Malpractice – Yavapai County Detention Center	1,000,000 Each Claim 3,000,000 Aggregate 2,500 Deductible Per Claim	Columbia Casualty Company	7/1/2003	\$175,717
Boiler & Machinery	30,000,000 Limit each accident	Arizona Counties Insurance Pool	7/1/2003	Included in (1)
Public Officials Errors & Omissions	2,000,000 Limit 3,000,000 One Entity Annual Aggregate 10,000,000 Policy Annual Aggregate	Arizona Counties Insurance Pool	7/1/2003	Included in (1)
Public Employees Dishonesty/Crime	150,000	Arizona Counties Insurance Pool	7/1/2003	Included in (1)
Commutation Insurance	Five times employee base annual salary	Transamerica Occidental Life	3/1/2003	Included in (1)

Yavapai County
Demographic and Other Statistical Data
June 30, 2003

Geographical location	Yavapai County is located in the West Central portion of the State of Arizona, coverage 8,125 square miles.		
Date formed	January 22, 1864		
Registered voters	93,256 per Yavapai County voter registration, October 2000		
Number voting	68,682 in the November 2000 general election (Presidential)		
Percent voting	73.65% in the November 2000 general election (Presidential)		
Number of judicial courts:			
Superior courts	6		
Justice of Peace courts	5		
Miles of County maintained roads:			
Miles of roads	1,675		
Miles of paved roads	665		
Miles of native surface roads	1,010		
Number of parks:			
Regional County parks	1		
Community parks	13		
Acres	483		
Age Distribution			
0 - 14	17.2%		
15 - 24	11.0%		
25 - 44	22.4%		
45 - 64	27.4%		
65 +	22.0%		
Population	1990	2000	2002
Arizona	3,665,228	5,130,632	5,472,750
Yavapai County	68,145	167,517	180,260
Major Cities/Communities			
Bagdad	1,858	1,578	1,698 *
Camp Verde	6,243	9,451	9,940
Chino Valley	4,837	7,835	8,205
Clarkdale	2,144	3,422	3,570
Cottonwood	5,918	9,179	10,020
Jerome	403	329	330
Prescott	26,592	33,938	36,375
Prescott Valley	8,858	23,535	26,115
Sedona	7,720	10,192	10,540
Verde Village	7,000	10,610	11,417 *

* Based on county growth rate.

Yavapai County
Demographic and Other Statistical Data
June 30, 2003

Civilian Labor Force	Labor Force	Unemployment Rate
Arizona	2,493,892	5.9%
Yavapai County	74,791	3.4%
Major Cities/Communities		
Ash Fork	N/A	N/A
Bagdad	1,554	2.4%
Camp Verde	3,723	3.1%
Chino Valley	3,127	5.1%
Clarkdale	1,465	4.6%
Cottonwood	3,719	4.5%
Jerome	391	3.1%
Prescott	18,836	3.9%
Prescott Valley	6,251	3.1%
Sedona	5,587	1.7%
Verde Village	4,598	3.5%
Yarnell/Peeples Valley	N/A	N/A
Yavapai-Prescott Indian	126	10.3%

Arizona Dept. of Economic Security, 2002 Special Unemployment Report.

Employment by Sector

Manufacturing	6.21%	Trade	27.51%
Mining & Quarrying	1.48%	Finance, Insurance and Real Estate	2.96%
Construction	9.36%	Services and Miscellaneous	30.04%
Communication, Public Utilities	2.58%	Government	19.87%

Major Employers

Ace Hardware	City of Prescott
Arizona Public Service	Prescott Resort
The Arbors	Prescott Unified School District
Atria & Kachina Point Assisted Living	Price Costco Store
Camp Verde Public Schools	Ruger Investment Castings
Caradon Better Bilt	Safeway
Chino Valley Unified School District	Sedona / Oak Creek Unified School District
Cliff Castle Casino	Sturm Ruger & Co.
City of Cottonwood	Target Store
Cottonwood / Oak Creek Schools	Town of Prescott
Cyprus Bagdad Copper Corporation	U.S. Forest Service
Double Tree Sedona Resort	Veterans Administration Medical Center
Embry-Riddle Aeronautical University	Verde Valley Medical Center
Enchantment Resort	Wal-Mart
Humboldt Unified School District	West Yavapai Guidance Clinic
Exsil, Inc.	Wulfsberg Electronics
Los Abrigados Resort	Yavapai Community College
Mingus Union High School District	Yavapai County
Phelps & Sons Trusses	Yavapai Gaming Agency
Phoenix Cement Co.	Yavapai Regional Medical Center

Sources: Arizona Department of Commerce and Yavapai County.

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